

Embracing chaos, unpredictability, and complexity in 2023

 By [Lebo Madiba](#)

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The business sector, including the creative industries, is entering 2023 on the back foot. As a result of unpredictable energy supply, inflation and political upheaval, three mechanisms will trend in the year ahead as businesses try to survive a chaotic market.



Lebo Madiba unpacks the trends that will help businesses, including creative businesses, persevere through a difficult year

One could list a dozen trends that will dominate the landscape in the next 12 months. Accelerated digital transformation, surviving increased inflationary pressure and the continuing energy crisis are just some of those most-talked about trends. These will challenge the resilience of businesses.

I would like to unpack the trends that will help businesses persevere through a difficult year.

Sustainability will continue to take centre stage through ESG and impact investing. Extended Reality (XR) – a term used to describe the combination of virtual, augmented and physical realities – can offer businesses a cost-effective means of testing their products. Regulations on artificial intelligence (AI) will prioritise educating people on its benefits while ensuring it does not infringe on our rights.

Greater adoption of ESG, impact investing

ESG is a yardstick for investors. It is a set of standards. Impact investing is about generating positive social and environmental outcomes while financially gainful. Both have the people and the planet at heart. Both prioritise a system transformation instead of behavioural change. And they are needed more than ever before for the business sector to ride current chaotic economic conditions.

This calls for what Professor Randall Carolissen, Dean of Johannesburg Business School, calls the Einsteinian paradigm of thinking, whereby a business embraces chaos, unpredictability, and complexity.

In the year ahead, we will see more businesses adopting ESG standards. So important has this metric become that in South Africa, directors can be criminally prosecuted and even jailed for corporate ESG transgressions, according to an article in the JSE quarterly magazine.

Globally, we are seeing more investors investing in small start-ups that look to solve problems related to the UN's Sustainable Development Goals. The only downside to impact investing is the reputational risk.



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Extended reality and scenario planning

Gone are the days when businesses tested a new product directly in the marketplace. Today's technology allows businesses to model and simulate scenarios based on a myriad of data at hand.

XR is becoming more accessible and a little cheaper; even SMEs can afford to forecast product performance.

Canadian simulation group, Mosimtec, said simulations offer numerous benefits, such as the flexibility to test large, complex systems and streamline business processes.

Being isolated from real environments simulations reduce the risk of disrupting day-to-day operations. It tests alternate scenarios by studying the impact of different interrelated variables. Furthermore, XR simulations can be instrumental in reskilling or upskilling staff.

In the past, acquiring data during test phases would take weeks or even months. Simulations can generate the same amount of hypothetical data within a day or a matter of hours.

Combine the simulation system with an engine 2 innovator business model, and you could have the upper hand in the market.



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AI regulations that put people first

With the launch of the AI Institute of South Africa, we will see a greater uptake of the technology in all of our industrial sectors. Already, there are projects that use quadcopters to monitor crops and diseases within agriculture and systems that can detect human emotion.

But while AI bodes well for industry, its repercussions on society will determine how much South Africans will embrace it.

We have seen it time and again – a new technology is invented, business gets a hold of it and quickly takes it to market without considering the repercussions it has on society. Therefore, the next year will see greater engagement on regulatory and policy frameworks around AI to assure that the technology operates within parameters.

According to the former Vice-Chancellor of the University of Johannesburg, Professor Tshilidzi Marwala, a good AI regulatory framework would educate the population on the technology so that they can understand it and embrace it; it would prioritise job creation through reskilling and upskilling, protect people and not undermine our freedoms and rights

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