

The future of business for Aotearoa New Zealand:

An exploration of two trends influencing productivity and wellbeing – purpose-led business and use of blockchain technology



INSIGHTS – what are the trends and their implications?

Some STRATEGIC CHOICES for government

A context of change

Complex global trends such as climate change and technological change present challenges and opportunities for Aotearoa New Zealand.

Businesses are responding through shifts in strategy, business models, and exploring new combinations and uses of technology.

The major productivity and wellbeing challenges of the future cannot be solved by business or government alone. We need to think differently about the traditional roles of business and government.

This Long-term Insights Briefing by the Ministry of Business, Innovation and Employment (MBIE) explores how the future of business in Aotearoa New Zealand may be shaped by two trends over the next 10 years and beyond:

- › growth in purpose-led businesses
- › use of blockchain technology

The insights presented here were developed in 2021–22 through research and engagement with business owners, industry leaders, entrepreneurs, academics, community representatives, regulators, government officials, youth/rangatahi, and members of the public.

Purpose-led businesses

Committed to achieving wider outcomes than just profit

- › The number of purpose-led businesses will continue to grow steadily, even though many businesses will continue to focus on profit. This trend is likely to benefit overall productivity and wellbeing.
- › This reflects a history of social responsibility among New Zealand businesses led by community-focused small businesses and Māori businesses which tend to take an intergenerational view.
- › Growth will be driven by increasing pressure from employees, investors and consumers (particularly young people) for businesses to be more socially and environmentally responsible.
- › There may be erosion of support for businesses which are not seen as purpose-led, or which make false claims to gain market position.
- › Common low-cost, simple and accessible tools for measuring and demonstrating successful purpose-led outcomes is key.
- › The growth of purpose-led business may lead to a broader range of business models, as the roles of business, government and community become more intertwined.

- › Support awareness and information
- › Actively incentivise purpose-led
- › Require businesses to contribute to wider societal objectives

Blockchain

A type of database, with data stored in chains that cannot normally be deleted or changed

- › Use of blockchain is growing in the finance sector and in supply chains to support secure transactions, traceability and digital identity. Its uses are much broader than Bitcoin and other cryptocurrencies.
- › Over the next 10 years blockchain will probably become more embedded as a technology in business and across systems in Aotearoa New Zealand. Its role will be as a technology option as part of a broader set of decentralised and distributed ledger technologies (DLT) and a new web3 generation of the internet.
- › Blockchain is enabling peer-to-peer and networked business models, such as decentralised autonomous organisations (DAOs).
- › Uses of blockchain include growing ‘for good’ applications that address social and environmental challenges, and use by Māori businesses.
- › Blockchain has benefits and challenges for productivity and wellbeing. Governance and regulation will need to address risks and opportunities in an integrated, adaptive and socially connected way.

- › Continue as is, with roles in regulation and broad settings
- › Support greater awareness and knowledge about blockchain
- › Enable optimal use of blockchain for Aotearoa New Zealand to achieve goals and address challenges

Growing diversity of business models

- › Our exploration of the two trends indicates that while traditional business forms will persist,
 - there is likely to be more and a wider range of values-oriented, networked, open, and peer-to-peer/decentralised organisational business forms
 - these new forms will span the traditional domains of business, government, and community.
- › Any further exploration of evolving business models is likely to benefit from a system view, and effective government collaboration with business and communities.

- › Keep a watching brief on the changes
- › Test if regulatory, governance and organisational settings are fit for purpose
- › Shape the settings for new business models to meet society’s objectives

The future of business—a youth perspective

Illustrations of some ideas shared by youth at a workshop to support this work.

