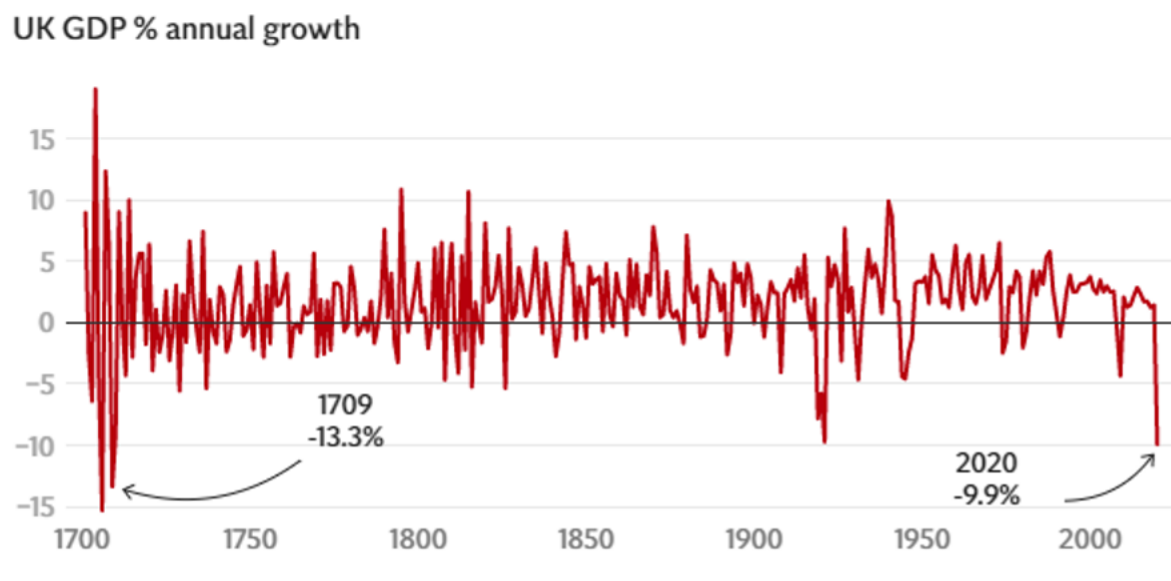


Pathfinder: Embracing Opportunities in the Post-Covid Digital Economy

The Covid Pandemic has been a once in a generation health and humanitarian crisis with over 125,000 deaths/4.3 million cases in the UK out of 2.7 million fatalities/122 million cases globally. The multiple lockdowns saw the UK economy contract by 9.9% in 2020, the worst recession since the Great Frost of 1709, with a disproportionate impact on the more marginalized in society, most notably the BAME population.

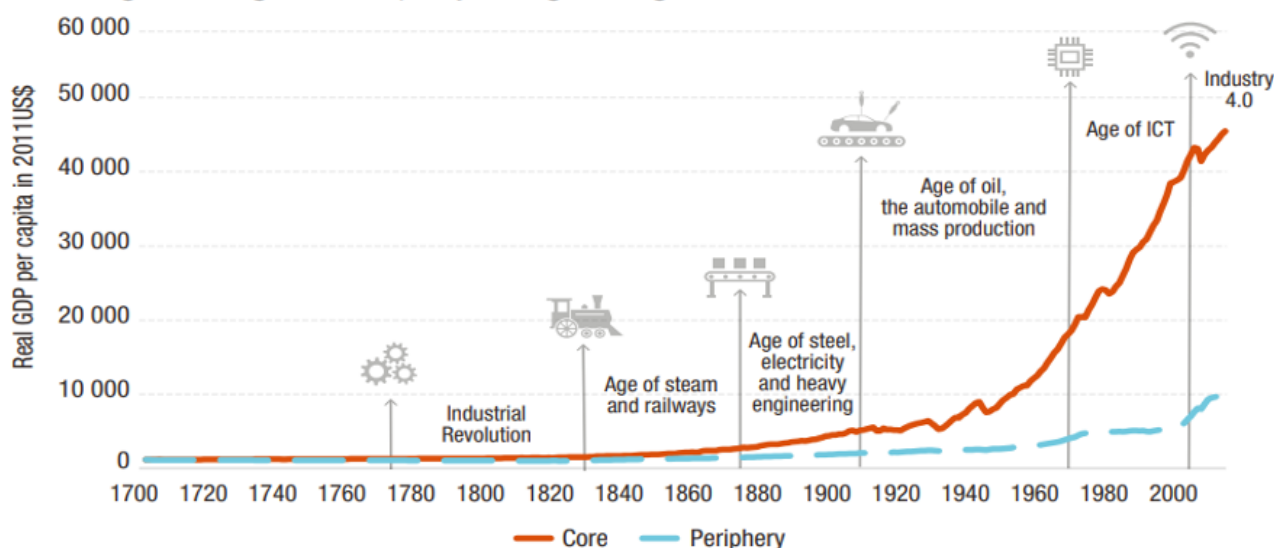


However, with the UK launching one of the most successful vaccination campaigns globally, with almost 30 million receiving their first vaccination at the time of writing, there is greater optimism on economic recovery, as reflected by the rebound in Sterling. But the question is what kind of recovery do we want? There is a consensus that we should “Build Back Better”, that we should take the lessons from the crisis in formulating how we emerge from the crisis. But what does that mean? In our view we believe that we should embrace the acceleration of digital economy as a result of Covid, to establish an inclusive and green sustainable economy recovery, with technology and innovation as its foundation and core driver. It is important to ensure

that the reduction in greenhouse gas emissions in the last 12 months is sustained as economies move out of lockdown and we do not lose momentum in the battle against Climate Change.

We also want to build on establishing global partnerships and networks and counterbalance the anti-globalisation and inward-looking nationalistic biases we have seen such as the battle between the EU and other countries on Vaccine supply. And we want to reduce income and wealth inequalities within the UK and internationally that have been exacerbated by Covid. Tech entrepreneurs like Jeff Bezos and Elon Musk are building titanic fortunes while a significant section of society is struggling to provide basic necessities to their families. The chart below shows the widening income gap over various technology revolutions between rich countries and poor, but this is equally true within societies as well. A failure to address rising inequalities is stoking resentment and tensions between the beneficiaries of the Covid tech bubble and those in society who are increasingly marginalised.

Technological change and inequality through the ages

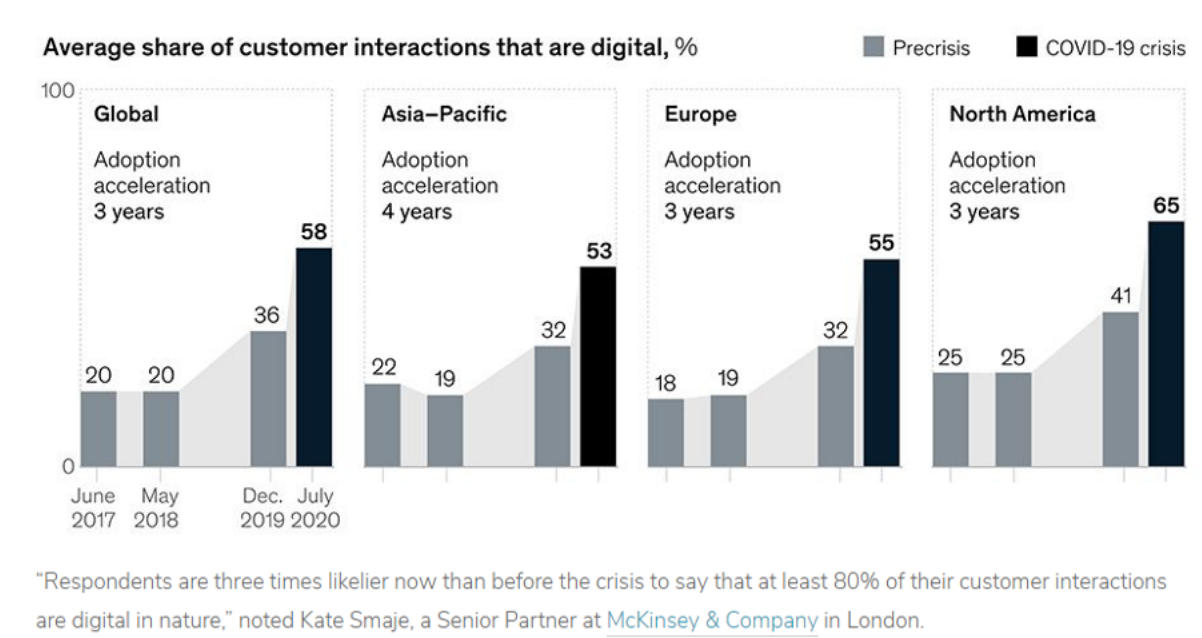


Source: UNCTAD, based on data from Maddison Project Database, version 2018, Bolt et al. (2018), Perez (2002), and Schwab (2013).

Notes: "Core" corresponds to Western Europe and its offshoots (Australia, Canada, New Zealand and the United States with Japan). "Periphery" corresponds to the world, excluding the "core" countries.

Covid has also accelerated a number of economic trends that were already in place, most notably the rapid growth of the Digital economy, in areas such as E-commerce,

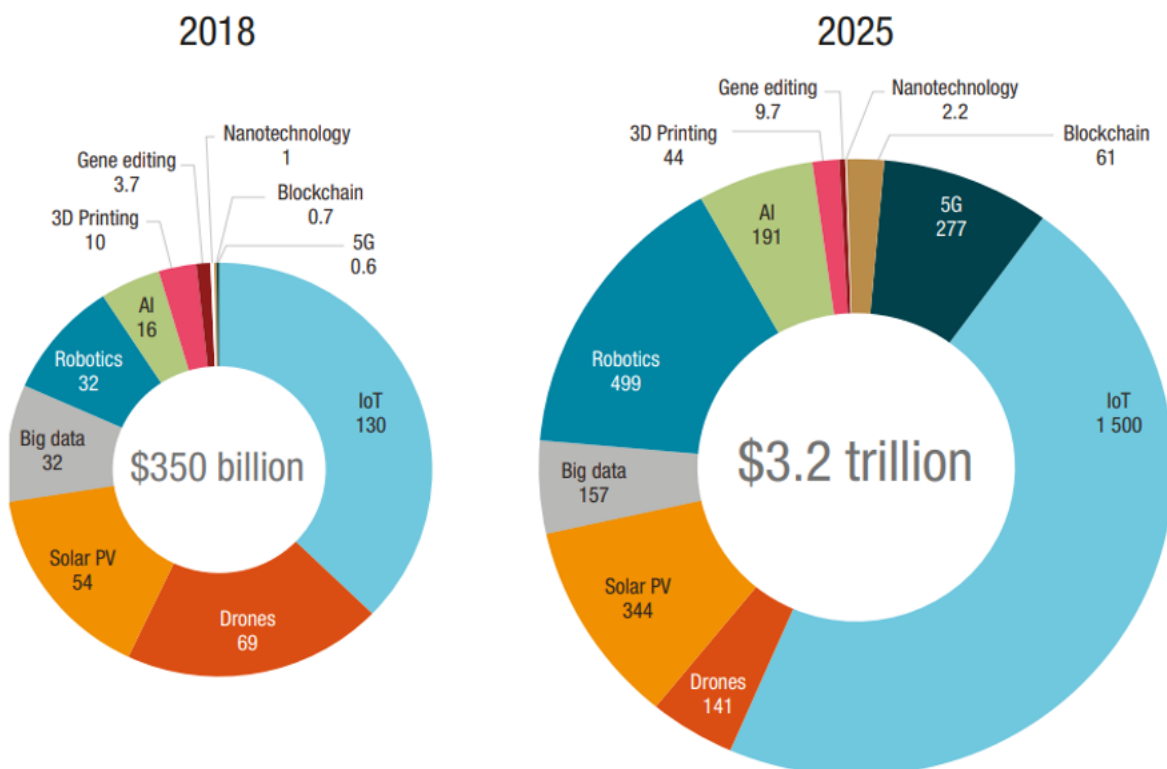
remote working, fintech among others. These shifts are structural and not temporary, and the seeds for longer-term economic recovery and new opportunities for businesses and individuals is to embrace this digital transformation. Moreover, we would argue that rapid digitisation has also acted a fresh catalyst for re-new globalisation and greater access to cross-border economic opportunities. Global consulting firm McKinsey have estimated that Covid has accelerated the pace of technology transformation by 3 years or more as illustrated in the chart below.



This dramatic transformation is aptly summarised in the University of Liverpool’s December 2020 Digital Innovation Whitepaper: “shifts in attitude, culture and investment priorities which might otherwise have taken years have been catalysed over weeks. Coronavirus has created a burning platform for decision-makers, with the cost of inaction outweighing the cost of action for the first time since the inception of the Industry 4.0 era... None of these changes will be rolled back. Businesses wedded to analogue processes and business models will quickly find themselves disconnected from the opportunities in a future that is undoubtedly digital-first... There has never been a stronger imperative for businesses of all sizes, from start-ups to blue chip corporates, to explore the benefits of emergent technologies. Those which do will not only secure a recovery from COVID-19 but a sustainable competitive advantage enabling them to thrive in the new normal.”

Brian Wong, of Seaciff Partners, writing in a June 2020 World Economic Forum Report noted that “The digital economy represents a departure from the traditional zero-sum-game business model with its focus on shared value creation. The digital services that people relied on during the outbreak like online marketplaces, cashless payment, contactless delivery and live-streaming will almost certainly become ubiquitous now... (and) The benefits of the digital economy will also see mass entrepreneurship spur on social mobility, and there will be greater economic participation from marginalized populations.” UNCTAD has estimated that the economic opportunity from frontier technologies like Artificial Intelligence (AI), Internet of Things (IoT) and Big data will increase tenfold from \$ 350 bn in 2018 to \$ 3.2 trillion in 2025

Market size estimates of frontier technologies, \$billions



Source: UNCTAD based on data estimates from Froese (2018), MarketsandMarkets (2018), Sawant and Kakade (2018), Business Wire (2019), Chaudhary et al. (2019), GlobeNewswire (2019), MarketsandMarkets (2019), MarketWatch (2019a), MarketWatch (2019b), Raza (2019), Tewari and Baul (2019), Wagner (2019), Mordor Intelligence (2020).

With this broad macro goal in mind, we are launching “Pathfinder” as a Digital entrepreneurship platform and eco system. We want to Catalyse, motivate and nurture the next generation of entrepreneurs to embrace the new opportunities in the Post-

Covid economy. We will start with a particular focus on the British Bangladeshi community, women and the young entrepreneurs, not because we want to exclude any other parts of society, but rather to reflect to fact that those segments have historically been under-represented and under-resourced. There will be a particular focus on engaging and inspiring the younger generation of British Bangladeshi (BB) entrepreneurs to pursue entrepreneurial opportunities or careers in the technology sector.

The Pathfinder platform operates as a members' network for developing new digital entrepreneurship ideas and partnerships. Even in the past month the range of business ideas already under early-stage development within the Pathfinder network, are encouraging. These include discussion on a Digital Health project between UK doctors and Infiniti Tech to build a Babylon + Healthtech platform that will be co-owned and jointly developed by GPs and hospital consultants. In Bangladesh a proposed Covid Super-app that will provide a Digital Covid vaccine certificate as well as AEFI (Adverse Effects Following Immunization) and Long Covid monitoring function; also, potentially a mental health AI chatbot to be developed for Bangladesh but that could be integrated into the proposed UK Digital health platform. Another business idea that is being explored under Pathfinder is a Nutrition Screening and Advice app as well as another product aimed at addressing Special Needs and those with Learning Disabilities. What has been particularly encouraging has been the cross-fertilization of ideas between UK doctors and their counterparts in Bangladesh. Another project under discussion is a Cloud Kitchen platform in the UK that will empower housewives to cook and create new sources of income. There have also been discussions among various Pathfinder members on the potential for fintech and the prospects of creating a Diaspora Digital bank. Yet another group are considering how to partner with Bangladeshi companies RMG sector to create a B2C or direct to consumer sales platform for garments. One of the youngest members of Pathfinder, a 26-year-old female artist, is selling her artwork on Etsy and reached out to the Pathfinder network. Members have responded to her request for advice and support from the UK, US, Canada and Bangladesh with not strategic advice but also the proposal to consider setting up a global virtual art gallery tech platform. This is an encouraging start in supporting and nurturing our women and young entrepreneurs.



In terms of the organisation goals and structure, there are four main components of Pathfinder:

1.Inspire/Motivate:

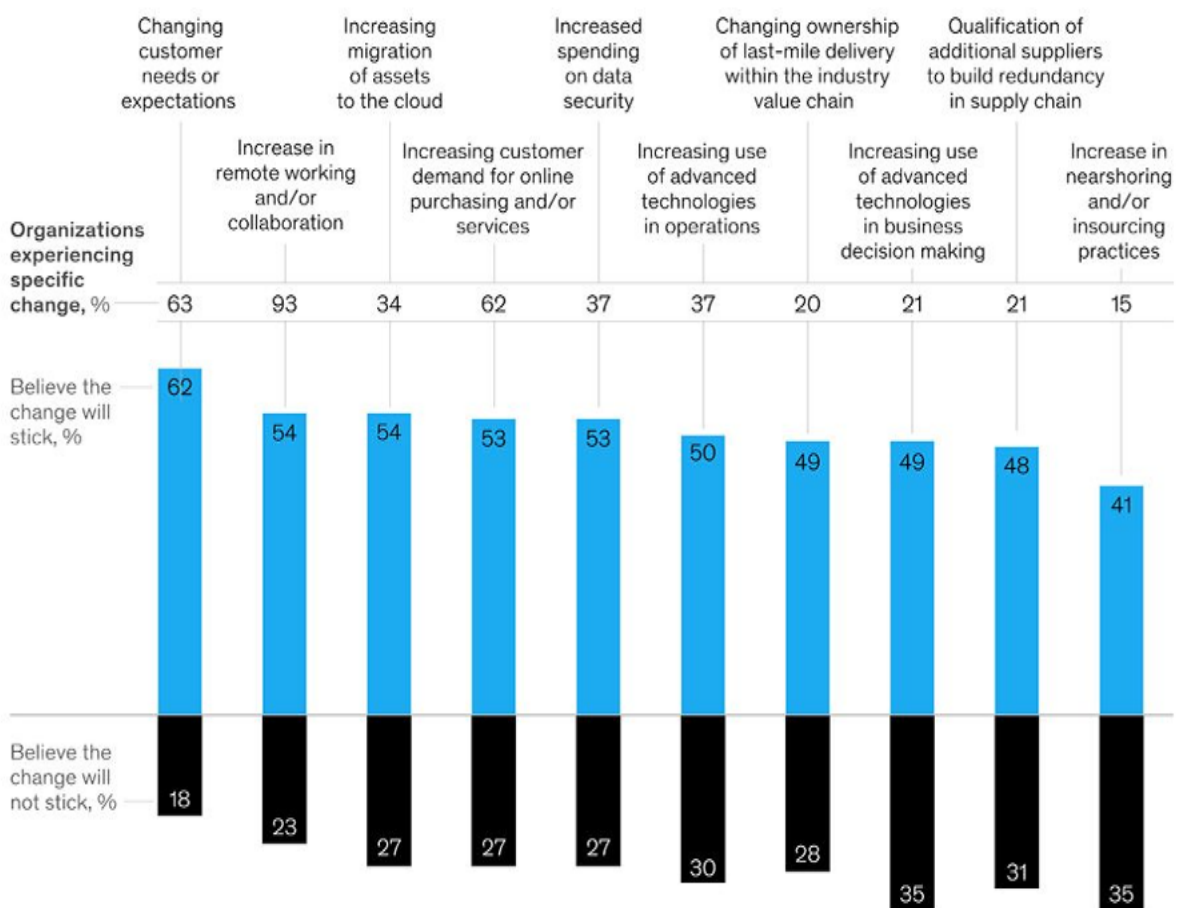
We plan to hold a series of webinars on a range of in the next 12 months, that will cover important themes of sub-sectors of the digital economy. These will be accompanied by concept papers and other research materials and the formation of focus groups in these areas. In addition we plan to launch a new programme “Bengal Tigers” a Dragon’s Den/Apprentice type TV competition particularly focused on young BAME prospective entrepreneurs. We also will prepare customized engagement for target groups such as schools and universities. We will review some of the Digital trends Covid has accelerated amid lockdowns and the rise of remote working :

- 1) Omnichannel Commerce – Of course E-commerce has boomed as evidenced by the onwards march of the dominance of Amazon.com and its founder Jeff Bezos becoming the \$ 200 bn man. With greater constraints on going to physical shops, consumers have turned to online shopping to an even greater extent. While existing E commerce platforms have been the prime beneficiaries, businesses have been forced to embrace

digital sales and engagement strategies such as better-quality customer apps, payments and delivery services. 2) Digital Content Consumption – According to Statista, 51% of internet users worldwide are watching video streaming services such as Netflix and self-generated content on Facebook, YouTube and TikTok has boomed; 3) “Platformication” – Businesses and institutions have embraced new digital platforms to keep engaged with customers – Fitness studios have gone online and some have

The largest shifts during the crisis are also among the most likely to stick through the recovery.

Share of respondents, %



boomed most notably Peloton bike classes. Digital health and E-learning have also exploded. And in addition to online classes for schools and universities, there is a rapidly growing market for E-learning for self-improvement. People stuck at home want to acquire new work or life skills and digital learning platforms are making this easier.

Pathfinder Focus Groups/Committees

- i. Fintech/Financial Sector
- ii. Digital Health
- iii. Digital Education
- iv. E-Commerce/Retail/RMG sector
- v. Hospitality Sector/Restaurants/Travel-Tourism Tech
- vi. Climate Change/Green Economy Opportunities/Sustainable Growth
- vii. Smart Cities
- viii. Property Tech/Real Estate
- ix. AI/Blockchain/Big Data
- x. Start-Up Funding
- xi. Skills/Training
- xii. Promoting Women's Digital Entrepreneurship
- xiii. Catalyzing Youth Tech Entrepreneurship

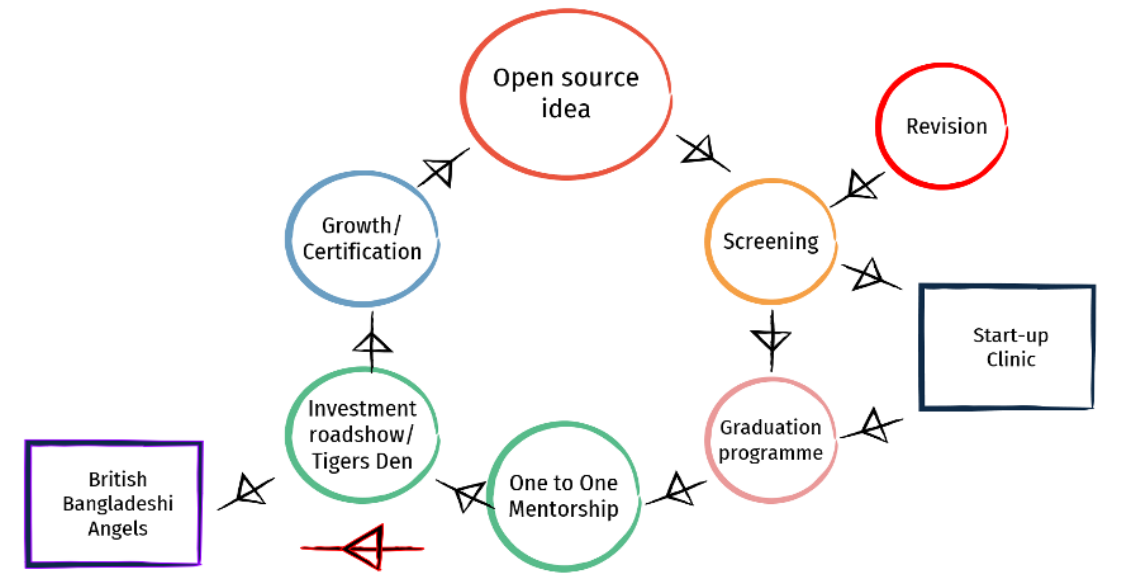
2.Educate/Incubate/Mentor/Innovate

We will also be establishing a Pathfinder Innovation Hub/Incubator as well as an Entrepreneurship Academy in partnership with other innovation hubs in the UK and other countries such as Bangladesh.

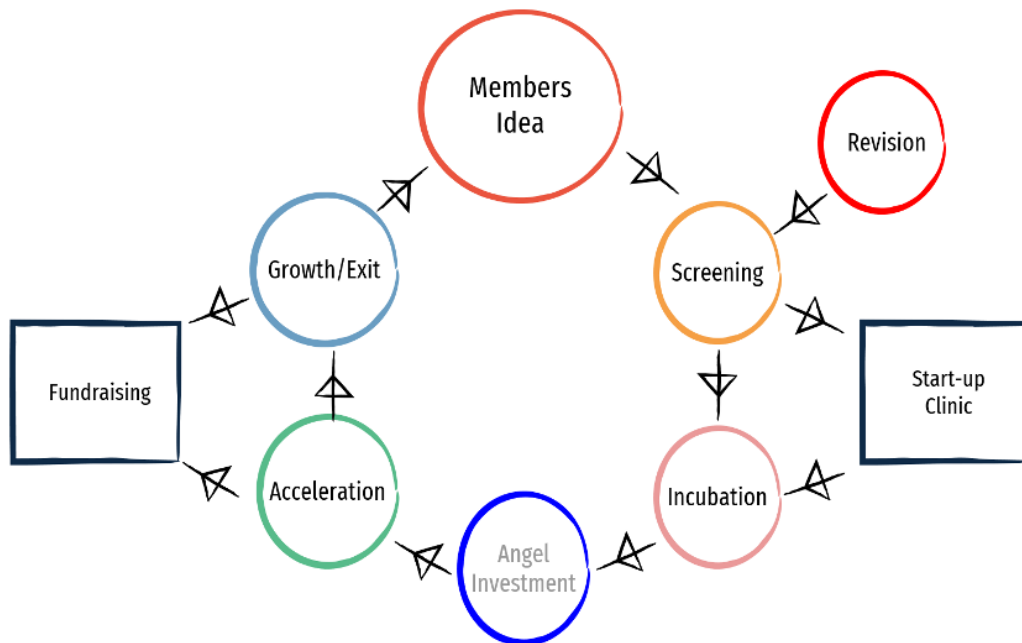
We see Pathfinder entrepreneurship ideas coming both from the broader British Bangladesh or Bangladesh communities, what we would call “open sourcing” business ideas. The first diagram below shows how we want to take an idea and develop into a business that get funded and launched.

According to a Deloitte research, Stanford psychologist Carol Dweck studies the difference between fixed and growth mindsets. People and organizations with a fixed mindset believe their success or failures stem from their own innate talents or abilities and are primarily the result of how well these innate abilities fit the external environment. People and organizations with a growth mindset, in contrast, believe their success or failure is the result of their own hard work and that they can adapt to

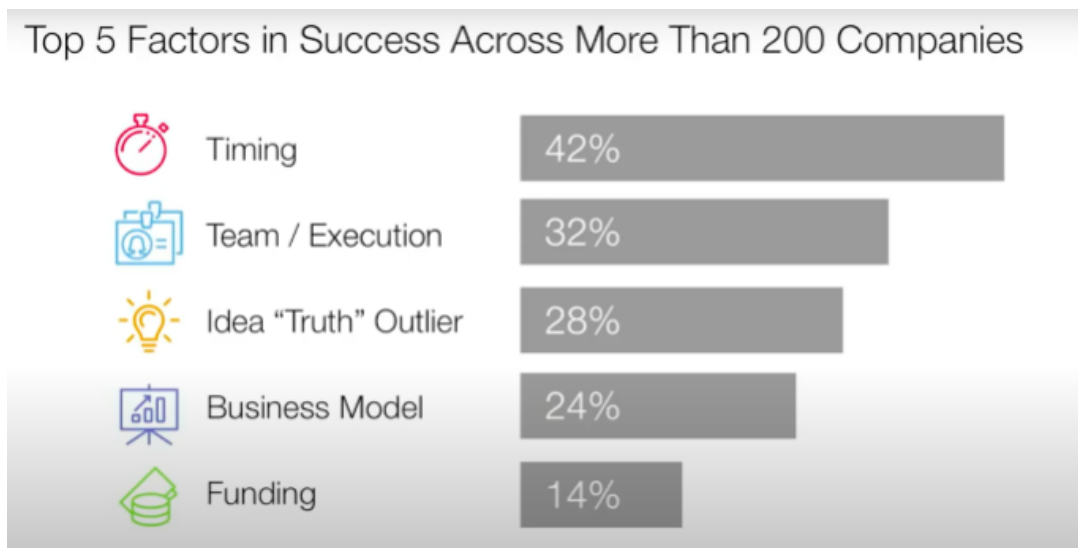
BUSINESS MODEL ONE - TO SUPPORT YOUNG BB



BUSINESS MODEL ONE - MEMBERS' ENGAGEMENT (P2P)



unexpected occurrences in the external environment. Consistent with Dweck's work, we found in our research into digital disruption that companies that believe they will be in a stronger position in the next 10 years largely exhibit characteristics of a growth



mindset, and those that believed their organization will be in a weaker position exhibit characteristic of a fixed mindset

A Digital Entrepreneurship Academy with a priority on skills training is also important component and goal for the Pathfinder platform. Chancellor Rishi announced in March 2021 Budget a "Help to Grow "scheme that would provide access to management training, technology advice and discounted software to improve productivity. The 12-week Management programme will provide subsidised management training to 'enhance the skills of leaders' in areas like financial management and digital adoption. A substantial 30,000 places will be available over three years. The programme is 90 per cent subsidised by government, so participants will have to pay £750.

The Liverpool Council Digital Report has made a number of important observations on the importance of Digital training. They noted that: "Improving digital skills, at all ages and levels, from basic to postdoctoral, is therefore a major national challenge, and critical to the LCR's post Covid19 recovery, growth and productivity across all sectors and communities. Improving digital Skills is in essence about creating better alignment between the opportunities afforded by digital developments, the current and future needs of industry, and the ability of our local population to engage and thrive. Ultimately the productivity of our economy and ability to compete with other global locations is reliant on narrowing digital skills gaps. This has clearly become even more

important in the context of Covid-19, given the resulting unimagined levels of home working and accelerated digital adoption as highlighted in the previous section. Research conducted by Microsoft in partnership with Goldsmiths, University of London, published in November 2020, warned of the risk that a lack of digital skills could pose to post-pandemic recovery, highlighting that 80% of UK leaders surveyed see investment in digital skills as important to economic recovery, with 69% believing that their organisation is currently facing a digital skills gap.”

3.Pathfinder Start-up Funding Platform

Most start-ups struggle to raise funding and usually it is from family and friends. The goal of Pathfinder is to establish to a multi-component funding platform starting with angel investment from among Pathfinder members, establishing a crowdfunding platform among the British Bangladesh community, seeking institutional funding as well as accessing government funds.

Also, in the March 2021 Budget Chancellor Rishi announced ‘future fund: breakthrough’, a new £375m scheme that will encourage private investors to co-invest with government in highly innovative research and development (R&D) companies. However, the minimum application is £20 mn so Pathfinder can apply as a platform to



secure a consolidated fund that can be distributed in smaller sizes.

4.UK-Bangladesh Digital Partnership

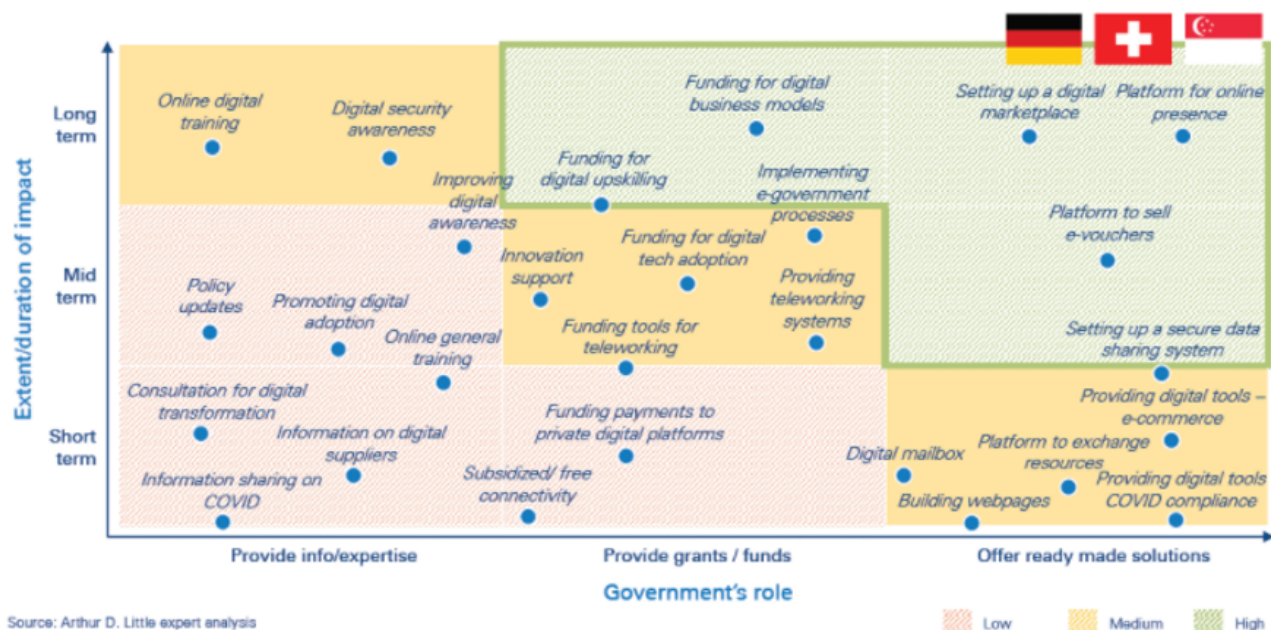
Another important focus area for the Pathfinder platform is to strengthen the Digital and Technology partnership between the UK and Bangladesh. As we highlighted earlier in the discussion on Digital Health, there is already collaboration happening between the two countries. But we see greater scope including joint partnerships between Innovation/Incubators in Bangladesh and Pathfinder all the way to government collaboration with Bangladesh ICT Ministry. We would also like to see Pathfinder supporting Bangladesh Tech start-ups to launch in the UK. This will be supported by the recent announcement in the March Budget by Chancellor Rishi Sunak to introduce “fast track” visa applications for people with a job offer from a recognised UK scale-up, together with a new “Global Business Mobility” visa. Potential employees will no longer need to obtain a third-party endorsement or be backed by a sponsor organization in a significant simplification of the rules. We would argue that both Covid and Brexit has increased the importance of economic engagement for the UK in fast growing developing countries such as Bangladesh. The latter’s economy has proved to be one of the most resilient to the Covid crisis with the IMF forecasting that for 2020, per capital income in Bangladesh will \$ 1,887, above that of India for the first time.

Digital Transformation Under Covid

- **Rebound:** These are temporal changes which snap back to pre-crisis norms within relatively short periods. For example, apart from personal protective equipment being worn by employees, we would anticipate the demand for and provision of services such as hairdressing and taxi transport to change little post-COVID-19. Those familiar with the English pub might also expect crowds to return on match days to pre-COVID-19 levels. Equally, the availability of fresh foods at the grocers will likely return to normal as supply chains recover.
- **Subscription:** This refers to permanent or semi-permanent changes in behaviour and demand for goods and services. The crisis has seen many households adopt digital solutions for the first time – even the elderly, who are typically more reluctant to try new technologies, have been encouraged by home delivery and contactless interactions.

For others, the move online has accelerated, as digitally savvy consumers have expanded their use of online platforms to purchase a wider range of perishables, consumer durables and entertainment. In short, COVID-19 has accelerated the adoption curve for many digital solutions – demand shifts which are unlikely to reverse.

- **Process:** This refers to changes in the ways of working and production incurred by COVID-19. New approaches have been developed during the crisis in response to social distancing and similar restrictions. Figure 3 illustrates how digital technologies have reinvented healthcare processes in response to COVID-19. The use of robots in hospitals to carry out repetitive tasks (such as cleaning and food delivery) has freed up valuable health-professional time for patient care. AI algorithms have enabled doctors to improve diagnosis reliability through augmentation. Manufacturing has been automated to protect workers. Drones have been used for last-mile delivery in logistics.



- **Revolution:** This defines cases in which both substitution and process changes occur in parallel. In other words, permanent or semi-permanent shifts in demand occur in tandem with process changes, which, in part, renders business models redundant. Industries are left to reinvent customer offerings and define more efficient processes and ways of working. Cruise tourism and passenger air travel are examples of sectors upended by the “perfect storm” of COVID-19 factors. In common with process

changes, we foresee that these sectors will constantly evolve in the future to attract customers and improve operational efficiency. For example, augmented reality/virtual reality solutions will dispense with the need for many face-to-face interactions, leading to further reinvention. Government can also support Digital adoption by designing the right policies. The chart below shows global best practice in Digital Initiatives to support SMEs

Combining the Green and Digital Revolutions:

Arthur D Little also noted that “As society becomes more environmentally conscious and aware of the need to address climate change, going digital should also mean going “green”. Virtual working and more efficient production go hand in hand with a cleaner environment and reduced resource depletion.”

In launching the EU’s proposal for its next-generation stimulus package, European Commission president Ursula von der Leyen explicitly tied green outcomes to the recovery and digitalization, stating:

“The recovery plan turns the immense challenge we face into an opportunity, not only by supporting the recovery but also by investing in our future: the European Green Deal and digitalization will boost jobs and growth, the resilience of our societies and the health of our environment...”

The proposal provides additional stimulus funding via taxes on non-recycled plastics and carbon emissions, among other revenue sources. South Korea and Germany have also included environmental objectives in their post-COVID-19 stimulus plans. As these are export-led economies aiming to be leaders in electric vehicles, green energy infrastructure and autonomous technologies, a dual digital/green policy focus is a logical step to support industry competitiveness.

Conclusion:

Consulting firm Arthur D Little noted that “Placing digital at the core of the recovery strategy and policy offers higher-than-average returns for the economy and society at large. This is why governments must include it in every single aspect of their recoveries, across initiatives and throughout all industries. Aside from the economic benefits, going digital offers lifestyle and work changes that have positive impacts on the environment (fewer journeys and carbon emissions) and society (improved family life

from working at home).” We believe the launch UK businesses and individuals who have suffered during Covid to re-invent themselves and embrace new opportunities in the digital economy ecosystem. The mantra in 2021 for economic regeneration post Covid should be “Build Back Better”, and embracing the new Digital Economy is the key.

Our six-point plan for a Digital recovery is listed below:

- 1.** Investing in digital generates greater-than-average returns for the economy.
- 2.** Targeted initiatives supporting SMEs, the vulnerable and the disadvantaged are essential.
- 3.** To multiply the benefits and ensure a sustainable recovery
- 4.** Ensure that workers, companies and households have the capabilities to benefit from a digital economy.
- 5.** To provide digital leadership and pilot new technology.
- 6.** Create confidence in the smart economy.

We believe the launch of Pathfinder’s Digital Entrepreneurship Platform can play an important role in catalysing new digital businesses among the British Bangladesh Community. Our goal is to see 10+ new start-up Digital businesses launched under the Pathfinder Platform by the end of 2021. We also hope to energize and unleash the entrepreneurial potential of women and younger generation entrepreneurs as well as leverage new ideas and synergies from stronger partnerships with Bangladesh. Pathfinder will also encourage collaboration and leveraging networks which are essential amid the platformification of the Digital Economy. We look forward to working with all of the key stakeholders to ensuring a sustainable, Green and inclusive Post-Covid Recovery with technology and innovation driven entrepreneurs at its core

Ifty Islam

CEO, Pathfinder

Whatsapp: +44 7817 932685

ifty@infiniti-tech.uk

pathfinderhub.org