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THE BUSINESS NEWSLETTER FROM AUSWILD & CO  
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## 2025's TOP BUSINESS GAME CHANGERS

To ring in the new year, we have gazed into our crystal ball – and, these (in our opinion) will be the top issues affecting businesses in 2025!

### AI

It wasn't that long ago that artificial intelligence seemed far-fetched and something out of science fiction! Today, generative AI has brought sweeping changes to businesses in many industries, using technology to change how work is done – and, as the technology continues to evolve, and companies work toward implementing it, generative AI promises to continue to reinvent business.

According to the CEO of OpenAI, Sam Altman, 2025 will usher in the biggest upgrade to its product, Chat GPT, yet. This is the year AI will get to change its name to Artificial General Intelligence (AGI), says Altman, meaning it will be at least as good as human intelligence for a wide range of tasks that require intelligence. By OpenAI's own definition, the arrival of AGI means that, for the first time in history, computers will be able to "automate the great majority of intellectual labour".

Has your business already embraced AI? If not, are you ready to introduce it to your business?

### Cyber Risks

Cyber-attacks are not just a passing threat; they're becoming more sophisticated and as common as catching a cold – just ask CDK Global.

On June 19, 2024, CDK Global, a software company that provides technology to the automotive industry, was the victim of a ransomware attack that took many of its systems offline. CDK's June ransomware attack affected thousands of automotive dealer clients, shutting down their dealership management systems and preventing them from doing business as usual. It is rumoured that CDK paid a USD\$25 million ransom to the hackers to call off the attack. CDK is mum about that.

Cybersecurity in 2025 isn't about scare tactics; it's about being smart, aware, and prepared. So, as threats evolve (and they do – rapidly), it's crucial to understand how they work and, more importantly, how to protect yourselves and your businesses.

### Costs Control

Yes, we have all been hearing about the "cost of living" crisis we are currently engulfed in – but this crisis does not just affect households but also businesses. CEOs surveyed by KPMG recently ranked controlling costs in an inflationary environment one of the top 3 issues that "keep them awake at night."

With rising operational expenses, inflationary pressures, and higher interest rates, controlling costs has become crucial for sustaining profitability and growth – and, one of the most powerful ways to control costs is by maximising the efficiency of your teams. This doesn't necessarily mean asking your employees to work harder or longer — it's about working smarter, reducing time waste and staying lean and efficient.

## **WFH**

Australian Bureau of Statistics data shows 36 per cent of Australians usually worked from home in August 2024. Given this was almost unchanged from the 37 per cent who said the same thing the year before, one could be forgiven for thinking the debate over working from home has finally been settled.

Although research repeatedly shows that employees love skipping the commute and strongly value the flexibility of remote and hybrid working – with one survey finding staff put it on par with an 8 per cent pay rise – employers on the other hand remain unconvinced.

To be clear, it's not quite as simple as employers versus employees. Many employers are all in on remote work, which they think can help them reduce costs, keep hold of top performers and access a wider recruitment pool. But there are also many others who do not like it and complain about the lack of collaboration between staff, the loss of mentoring opportunities for new employees, the inequity of office-based staff staying at home while frontline workers show up every day, and the perceived drop in productivity.

Who knows how this will play out in 2025 – but we suspect there will be little change in overall office attendance – at least until the jobs market weakens significantly.

## **Human Resources – Talent Acquisition / Retention**

Talent acquisition and retention are essential parts of any businesses' growth strategy. Talent acquisition involves finding, recruiting, and hiring the best talent – something that many businesses have been struggling with since the pandemic. In some industries (for example hospitality, automotive, professional services), it is nearly impossible to find people. Is the solution outsourcing offshore?

Retention on the other hand involves keeping the talent you already have on board. It's a two-edged sword – on the one hand, you not only need to find and recruit employees to enable your business to operate efficiently and effectively, you also need to ensure the employees you have stay on board and are not enticed elsewhere. Effective retention can help reduce hiring costs, missed revenue, and more importantly lost experience and knowledge.

What do you think?