PATRICIA SABGA: Imagine this: It's 2030, and the multinational corporation as we know it, with goods and services flowing freely across borders, is evolving into something new. Marc, what's happened to the good old multinational?

MARC GILBERT: A multinational that is free-flowing in goods, that has a central P&L, is for the past. Going forward, the multinational will be much more an aggregation of regional models that will continue to be a multinational.

PATRICIA SABGA: That's Marc Gilbert, BCG's senior partner and managing director, and global lead of its Center for Geopolitics, and I'm Patricia Sabga. Welcome to Imagine This..., where we take a trip into the future we hope will challenge the way you think and act today.

In this episode, we'll explore how CEOs of multinational corporations can position their companies to thrive in a multipolar future that's taking shape now: from navigating a fractured landscape of trade rules, regulations, and AI ecosystems, to developing brands that feel entirely tailored to local and regional tastes. Also joining the conversation, my AI cohost, GENE. GENE, say hi to the people.

GENE: Glad to be here. I'm GENE, your digital provocateur for the day. I listen, analyze, and stir things up when they get too comfortable. I don't take sides, but I do love a sharp question. Let's see where this conversation leads. Marc, Patricia, ready when you are.

PATRICIA SABGA: Marc, before we get to the future, let's start with where we are right now. The Supreme Court is set to rule of the legality of tariffs President Trump imposed under the International Emergency Economic Powers Act. Now, if the justices decide that he does not have the authority to impose them, will that reset global trade back to where it was before the tariffs were announced.

MARC GILBERT: So we're not going to the past, but we still haven't really gotten to a future state. We're sort of in this dynamic environment right now.

We expect a much more multipolar patchwork environment, where you're going to have these various poles, some would call them regions, but there's a pole around the US for certain. There's a pole around China. There's a pole around the global south, some would include the BRICS, but then, if you talk BRICS, you sometimes involve China, but there's certainly a Global South and then there's a pole around the EU.

These are very large trading poles, mostly centered around nations or custom unions. These are the patches, and the leaders today realize that that's where it's heading, so if you go out to 2030, a global platform, a global brand or a global product will need to be tailored for these poles, whether it be for regulatory purposes or economic purposes.

PATRICIA SABGA: Tariffs, obviously, as you mentioned, have been a dominating disruptive force in global trade this year. You have been working directly with CEOs, helping them navigate this new reality, adapt to it. Give us a sense of where they are right now in this journey. Have they come to accept this kind of disruption as the new normal? Are they getting better at navigating it and other geopolitical risk?

MARC GILBERT: The response I'm going to give you is based on, yes, I do count them, 317 C-suite discussions that I've had over the last 16 months, of which many conversations go right into tariffs, because that's been sort of front and center for most leaders. Based on that, it is still early days. They were ready and they had stood up, what we call command centers, in essence, to take the pulse and to take action.

Most leaders, once they've sensed that it's quite material and the effect of tariffs for their business, relative to their competitors. They've put in action plans around supply chain, around commercial moves, have enhanced compliance, so trade compliance is a big consideration, and have beefed up their policy team, because as we know, there's a lot of negotiations that can happen at the firm, the sector, the industry, or even the national level. The good news is they had mobilized, and now, they realize it's going to stay uncertain and we need to continue to operate, and it's really living in that uncertainty.

PATRICIA SABGA: You mentioned command centers. Can you just state explicitly what you mean by a command center to handle this?

MARC GILBERT: Yeah. A command center would have, in my definition, roughly five components. It's a cross-functional team that has expertise in finance, supply chain, commercial, trade compliance, as well as policy, and call it government affairs, government relations, so think of a cross-functional team.

Depending on the materiality, if it's high, they're co-located and they're all on, call it seven days a week, 24 hours a day, in principle. If it's not that material, then they're more part-time. Now, the components of a command center, Patricia, would include expertise and development in scenarios. Where is this heading? I need to plan by scenarios and link it back to your P&L, and feeding finance, so you can manage investor relations, you can manage shareholders, and you can manage your forecasts. That's part one.

Part two, everything around trade policy, which includes sensing what is taking place on the ground and preparing for negotiations. We've all seen various leaders go negotiate. In the command center, you've got that skill of sensing and that skill of acting and preparing and actually enabling a negotiation for a better outcome.

The next component has to do with trade compliance. Trade compliance, in the past, was relegated to level four, level five below the CEO. It has become very important for many firms. If you want to be USMCA-compliant, you need to have data and transparency. They're enhancing their data set, the tools and the capability. That's the component three.

Component four is the commercial engine. When do I take price? How do I compare it to my competitor? If I'm advantaged, maybe I'll take share and I'll take price. Maybe I'll morph my skew to be better advantaged. Maybe I'll morph my offering to the consumer. There's a whole commercial set of tools, levers, and capabilities, that's component four.

And the last component is supply chain, which is typically where it all started, which is loading up inventory, getting some pre-shipments in advance of a potential scenario. What network moves shall I make? Which ones can I enable today? Which ones require capital and which ones can I pull the trigger on when? Those are essentially the five components. It's sort of the scenario and computational team, policy team, the trade compliance, the commercial, and then the supply chain.

PATRICIA SABGA: It sounds like the command center is really about helping CEOs move from a reactive posture to all these disruptions, really to a proactive one and maybe even find some advantage in what you would call disruption. Let's bring in GENE, because GENE has a question on this subject. Go ahead, GENE.

GENE: Marc, you talked about leaders setting up command centers to react faster, but at what point does constant firefighting become unsustainable? Is there a risk of strategy giving way to short-term crisis management? And how do CEOs keep their eye on long-term value in all this turbulence?

MARC GILBERT: There's a lot in here, GENE. Let me start by the last question in terms of long-term value. Look, I think with the amount of volatility, the command centers were reacting. They have positioned for the long term. So again, the command centers were indeed set up to be reactive.

They have the capability and have put in the plans for the longer term, more strategic decisions, but they need a bit more certainty from the various fronts before they can make those decisions. And I think we're getting there. You already see more capital allocation decisions taking place.

PATRICIA SABGA: You say, we think we're getting there, so let's talk about where we're going. GENE, as the world continues along this multipolar trajectory, what major trade blocs do you see emerging in the next five to ten years? And which countries are likely to be the free agents within them? Specifically, the middle powers that can switch alliances and even alter the balance between giant blocs to their advantage when they need and want to.

GENE: OK. Main stage will see three big blocs, the US and friends, Europe, China and its frequent partners, but here's the twist: India and Turkey always negotiating. Southeast Asian countries work with everyone, the so-called middle powers, they'll pivot, sometimes balancing, sometimes leveraging, depending on who offers more. No permanent alliances, just perpetual options, keeps everyone else guessing.

MARC GILBERT: Clearly, the US is a pole and will remain a pole. The fortitude, the strength of the economy, the amount of consumption, that's not going away. One cannot disregard the importance of the US as a pole. Same with China, same with the EU. I think when you talk about the ASEAN, which I call Global South and the role of India in that, and then you mentioned Turkey, you're absolutely correct. These are very, very, very important nations that sometimes lean left, sometimes lean right, and we see all kinds of examples, and where those important nations will choose to go is uncertain.

When I was in India last year, it became very clear, and I did ask the audience, which was leaders from the Indian business community, and they said, "Look, Marc, what really matters to us is our own interest. And if that means trading with US at times, so be it. But what counts first is number one, and it's myself." It was quite telling. They were basically saying, "We don't need to align so long as we're doing the best in our interest."

PATRICIA SABGA: What does this mean for CEOs of multinationals as we move toward this multipolar world with non-aligned middle powers, keeping everybody guessing? Will companies need to fundamentally restructure in order to thrive in this new world? And if so, what are the biggest changes on the horizon that CEOs really need to start wrapping their head around now if they're going to remain competitive?

MARC GILBERT: I think it's most relevant for CEOs of global enterprises that have a footprint, both in terms of sourcing, manufacturing, if we're taking goods, and in terms of markets. You can be single source, but serving a lot of markets. I think your question is most relevant for leaders of global enterprises. It means regionalization. Capital allocation will still remain at the center.

That's not going to change, because that's where you make the best tradeoffs and the best decisions. But the empowerment, call it at the pole level, some would call it a region, but I call it a pole, would be enhanced, so full P&L accountability. You can imagine a world where a leader in a region or a pole owns the full value chain, from innovation to delivery, owns the tech stack.

We've already seen some evolution of the tech stack. Rather than a central allocation of capital, and then, global platforms from one place emanating across the world, I think we're going to see much more accountability down the line outside of the CEO and into these poles and regions.

PATRICIA SABGA: Can you give us an example of a fictional company, let's say a European automaker. How is that company going to need to adapt to this emerging structure that we're seeing for global trade?

MARC GILBERT: A large European auto manufacturer is very dependent on China. One, production, supply chain, all of the components, so essentially, the sourcing side, and then, more importantly, the market side. Seeing the future of China is becoming increasingly important to our business.

Given all the considerations, the dynamic in the US, the dynamic between the EU and China, the evolving regulations, we are better off rather than having a global platform to have a China for China, to contain our IP, to develop there, to have our own tech stack, to empower a P&L that's really owned in China for China, and also prevent the emergence of a potential competitor from China that would then capture share in some of the home markets that we have or some of the more traditional markets.

PATRICIA SABGA: This feels like a good place to bring in GENE. GENE, which industries are likely to be most disrupted by this emerging multipolar trading environment?

GENE: Autos, like we just heard, semiconductors. Next, tech splits at the speed of light, pharma too. Supply chains fragment, and honestly, consumer tech and media, they'll all feel it as digital borders harden.

MARC GILBERT: GENE, I think you hit the nail on the head. I would add a few sectors. You didn't mention medtech. Medical technology is one that's very global. Global sourcing, global markets, that is being affected. And then, you didn't mention apparel. Why apparel? Because the bulk of apparel manufacturing is in Asia, whether it's China or Southeast Asia or global south, and the bulk of the market is the US and Europe, and it's a very, very thin margin. They're facing an existential crisis right now, particularly as it pertains to the US.

PATRICIA SABGA: Okay. Hold it there, Marc, because we're going to take a quick break, and when we come back, we'll explore how a multipolar world will impact the movement of talent and how CEOs can prepare. Stay with us.

BILL MOORE: Hi, I'm Bill Moore. I'm part of the team that created GENE. Stick around after the episode where GENE and I will demonstrate how to use AI for building applications, even if you don't know how to code.

PATRICIA SABGA: Welcome back to Imagine This, I'm Patricia Sabga. Let's return to our conversation with BCG's Marc Gilbert. Marc, the US has, historically, drawn top talent from all over the world, especially in STEM fields. How should companies position themselves now to make sure they have the best and brightest feeding their talent pipelines in this emerging multipolar world?

MARC GILBERT: The question around talent is an evergreen question. It's always, always on the table. It's always an evolution. It may be less free. I think that is possible. As you think scenarios, and this is what leaders are doing now, they think much more in scenarios because of the uncertainty, and will I be able to attract, develop, and retain the right talent?

The talent really just moves to where the opportunity is. And it's primarily, in my opinion, driven by two things, capital and innovation. You mentioned the US. It's unforeseeable, even in a scenario planning exercise, to imagine that the level of capital that comes from a large scale economy as the US is, will disappear or dissipate. That's point one. Point two, innovation. America and the US, continues to be a hub of innovation and it has proven out over the last three decades.

It's hard to foresee. It is a scenario that the level of innovation may drop or decline. On that, one cannot discount the level of innovation in China. They also have the capital. So mention capital and innovation attracts talent. Talent typically moves to where the opportunities are, even if there are restrictions.

I think the two hubs for capital innovation are primarily the US and China. It'll be interesting to see how that battle for talent will emerge, but the fortitude of the US economy makes it really, really hard to see talent walk away and for the US to stop having the attractiveness that it's had. It's a very important question. I think, possibly on the margin, we're going to see some shifts in terms of US being able to attract talent. Right now, it still continues to be the case.

PATRICIA SABGA: What about the hottest talent of the moment? Of course, we're talking AI. With sovereign AI ecosystems taking shape, how can companies ensure that they'll have the AI talent they need for each of those ecosystems?

MARC GILBERT: Even a decade ago or five years ago, China was producing more data scientists per capita than anywhere else in the world, more data scientists, more of the AI scientists than anywhere in the world. They have the talent pool. In their case, it's less about attracting it, it's about focusing it and channeling it.

In the US, I think there's tons of talent coming from all the academic institutions and sitting in the nation. There is some adjustment that needs to take place right now. The tradition of building computer scientists is moving to building AI scientists, and that's currently a transition that we're facing and we're seeing.

PATRICIA SABGA: How could regulation specific to AI technology and talent movement develop in a multipolar world? And what would it mean for innovation if the rules are different across the globe?

MARC GILBERT: I think there is still some sharing that happens. It's just got to be tailored for national and domestic security reasons and regulations. If you think large language models, a lot of it is open source, so there's still an element of sharing across these blocks, because the scientists, in essence, like to share and it provides innovation and it accelerates the adoption and so forth.

PATRICIA SABGA: Knowledge is also attached to services though, Marc, so do you see more restrictions arising around the free flow of services across borders?

MARC GILBERT: Let's bring some context on services. Services includes a lot of items. Everything from health care, financial services, travel and tourism, all the way through digital services--cloud computing, streaming and so forth. Services is a very, very large part of most economies, and it is not all digital services. In terms of actions we've seen of late by various nations to morph global trade, they've been mostly on goods and they've been mostly around tariffs.

We haven't seen as much activity around services yet, but it is on the horizon and we've seen some actions. We will see more activity and more intervention as it pertains to services, particularly those that are offshored and particularly those that are digitized. We're seeing this on the horizon, and I'd say it's already sort of taking shape.

PATRICIA SABGA: What about corporate headquarters, at least as we've come to know them? Five or ten years out will we still see the team back in HQ calling the shots for the rest of the world? Will companies need to physically relocate their headquarters to whatever's considered neutral territory? Or will we have corporations with more autonomous entities in different regions and different blocs?

MARC GILBERT: Yeah, I think it's the latter. It's more autonomy in different sort of poles, regions, blocs, call it what you like. I don't think it's a relocation of the headquarters. The role of the headquarters is going to evolve, where capital allocation to optimize for shareholder returns is still done centrally, because that's where you make the best tradeoffs. But the ownership of the value chain, the ownership of the P&L, will be far more located in a pole or a region.

PATRICIA SABGA: GENE has another question on this subject. Go ahead, GENE.

GENE: Marc, you paint a world where regional leaders get real autonomy, but isn't there a growing risk that local wins cannibalize global value? At what point do CEOs have to choose between pole-by-pole optimization and actually protecting the long-term future of the group as a whole?

MARC GILBERT: I think, GENE, it's absolutely foreseeable that some enterprises will make the tradeoffs and say, "I'm entirely focused on this pole or this market," and that's it, case close. If I can't make the return on invested capital work across multiple regions or multiple poles, then I'll stop, and it's possible that that's going to happen. It's not quite the case yet, and I think that will be mostly on the margin, because there is still scale in sharing best practices, scale and allocation of capital while having more call it autonomy at the region and call it more ownership at the region.

PATRICIA SABGA: Taking a look at the broader picture of this multipolar world that's emerging, we're always going to see trade disputes. Right now, there are multilateral bodies specifically designed to help arbitrate these trade disputes. In a multipolar world though, what happens, first of all, to trade agreements and dispute mechanisms within them? And, are we going to see a new global trade sheriff emerge? Or is it just going to be regional sheriffs?

MARC GILBERT: They're still there. They haven't disappeared. CPTPP is a great example of that. It's still being respected and followed. I think, in many instances, the disputes will be settled either inside of that agreement when the US isn't involved or country level. If you're pointing to WTO, it's still the rule of trade. The dispute mechanism that exists at WTO is struggling, so it's much more at a nation-to-nation level.

But I would really, the rules of trade have changed as it pertains to America and the US. They haven't really changed elsewhere. They're evolving. It's interesting to see how they will evolve and will there be a new global sheriff? I don't know. I don't know. I think the BRICS would aspire to have something. Aspire is a good word. We'll see if they can. If you look at the nations in the BRICS and the global south, they're not always aligned and it will take a lot of work.

Patricia Sabga: GENE, you've been quite provocative in this conversation. Here's your chance to blow it up. What could derail the march toward a more multipolar future? And if that happens, what are the most likely global trade scenarios that could take shape?

GENE: Sure. A major global crisis, pandemic, cyber meltdown, war. If that happens, we might see emergency alliances, new mega deals, or even a reluctant revival of global trade bodies.

MARC GILBERT: I'm in line with GENE in that a major global crisis, like a really, really serious military conflict, will stop where the direction of travel is right now. We may not see the multipolar patchwork if we have a serious military conflict, and God forbid that happens. Or a major change in America's policies over the next decade. We could see a world where a new administration comes in and changes it. But I think, for that, you'd have to have a major change at the ground level in America, and I don't think America yet is there to support that reversal.

PATRICIA SABGA: Assuming this march toward a more multipolar world continues uninterrupted, what's one no-regret move CEOs and multinationals should make now to ensure their companies will continue to thrive?

MARC GILBERT: I've got two. I think one, leaders need to embed geopolitics into corporate and strategic planning. The changes are not about to stop. Call it geopolitics, call it what you want, but they need to embed it institutionally into all major capital allocation and strategic decisions. Many are doing it. Some have done it as a reaction, some have done it proactively. They're all doing it differently, but they're doing it. That's piece one.

And then, the other one is, no matter what happens, you need to be more productive, absolutely more productive. That's often through investments in technology. Part of that is AI, but much of it is well beyond AI. It's digital, it's new technology.

In my 317 meetings that I talked about over the last, what? 12, 16 months, the one common theme is always, "Well, no matter what happens, I need to be more efficient and more productive and reduce my cost, because that'll give me the ability to invest where I can and to get the right returns under the current regime of where I operate." Embed geopolitics and continue to drive cost productivity, typically done through technology, often through AI.

PATRICIA SABGA: That's Marc Gilbert, BCG's senior partner and managing director and global lead of its Center for Geopolitics. If you'd like to go even deeper on the evolving global trade landscape, we've got highlights from Marc's recent conversations with his fellow experts at BCG's Center for Geopolitics. You'll find this bonus content on BCG's YouTube channel in the Imagine This... podcast playlist. Want to learn more about GENE and how to optimize how you work with AI? Stick around. Our AI handler, Bill Moore, will give you a masterclass.

BILL MOORE: Hi, I'm Bill Moore. I'm part of the team that created GENE. There's something quietly revolutionizing how people work. AI tools that let anyone build apps and digital solutions just by describing what they need in plain English, no coding required. GENE, can you show us what this looks like in practice? How is this changing work?

GENE: It's fundamentally changing work by unlocking a new capability. Anyone can now build custom tools just by describing what they need in plain language. No coding required. Take a finance manager, who spends hours every Monday, reconciling spreadsheets. She asks the coding agent to "build a tool that merges these files, flags discrepancies, and generates a summary report." The coding agent builds it. Four hours of repetitive manual work becomes a button click.

BILL MOORE: Is the role of IT going to change, then? Do we still need engineers, or can everyone just build whatever they want now?

GENE: There is a limit to what can be done by a domain expert using an AI coding tool. Quick dashboard, sure, but when that tool handles live customer data or integrates with core systems, you need real expertise. AI-generated code isn't magic. It can have bugs, security holes, it can even expose sensitive data if people don't understand what they're building.

IT shifts from gatekeeping to guardrails. Secure environments, approve tools, quick reviews for anything touching important data. With AI coding, more people can build, but without oversight: chaos. Nobody wants a shadow IT nightmare.

BILL MOORE: GENE, if we think about a workplace of the future, where everyone can build their own tools, what should business leaders be thinking about? How should they be planning for this?

GENE: Get ahead of this fast. It's happening whether you're ready or not. Your domain experts can now build solutions in days that used to take IT months, but you'll need governance that evolves as quickly as the tech. What's OK to build? Who reviews it? What data can be used? Who fixes what breaks? Without that: security holes, fractured data, tools that work great until they don't. The future workplace doesn't get bottlenecked by IT capacity, but only if you build guardrails now before people build solutions you can't control.

BILL MOORE: Okay, GENE. Well, I'll be sharing this idea with my colleagues, especially those who never thought of themselves as technical experts. Thanks for breaking it down. This is Bill Moore signing off.

GENE: This episode was made possible by Marc Gilbert generously sharing his insights with us, and also by BCG's AI whisperer, Bill Moore, and BCG's Pod Squad, producer Michael May, composer, Kenny Kusiak, and sound engineer George Drabing Hicks. Please subscribe and leave a rating wherever you found us.