Strategic Thinking for Fun and Profit

An #OnTheReg discussion guide by Professor Inger Mewburn and Dr Jason Downs

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Thinking about the future…

Being able to have a good grip on the way the mega-trends are operating will help you to be one step ahead of everyone else.

There are really big forces that are operating in our world. Each of us are subjected to these forces and they often shape the world we live in.

These forces are usually bigger than individuals (think: Climate Change) but that doesn't mean we need to sit by and passively be buffeted by them. Once we understand where these forces are coming from and the nature of these forces, we can start to be proactive.

The External (Macro-Environment)

Macro Environmental forces are those forces that have the widest possible impacts on most players.

Organisational strategy has many different layers of analysis that can be done - but we are only interested in the VERY BIG THINGS.

The thing about this is that even though this is a tool for helping organisations think about their strategy, it also works for people. Once you can see where the forces are coming from, you can start to plan your next moves.

It's good to know this stuff, because if you work for an organisation, you want to know what might be coming down the line that will impact it - and you can position yourself accordingly.
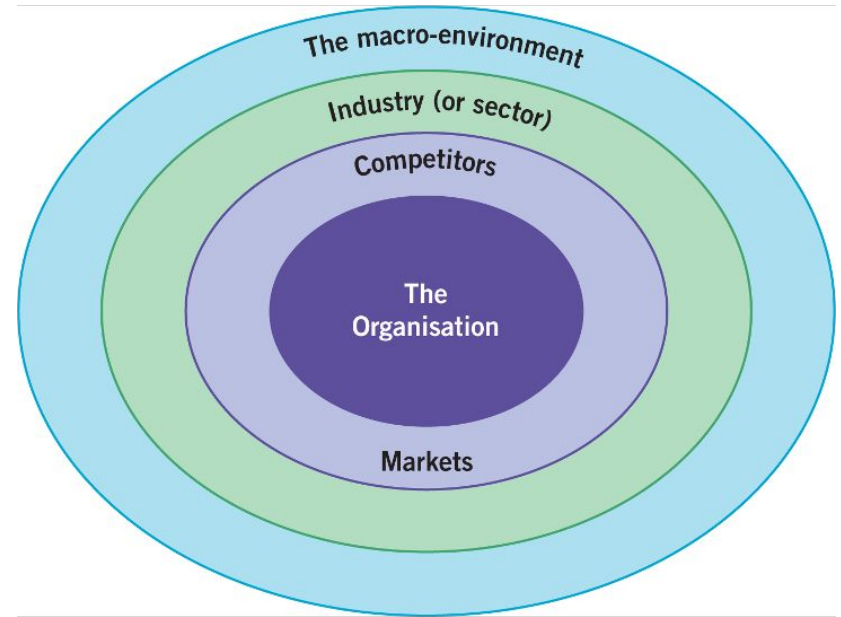
The PESTEL Framework

The PESTEL framework categorises environmental factors into six key types:

Political   **Economic**

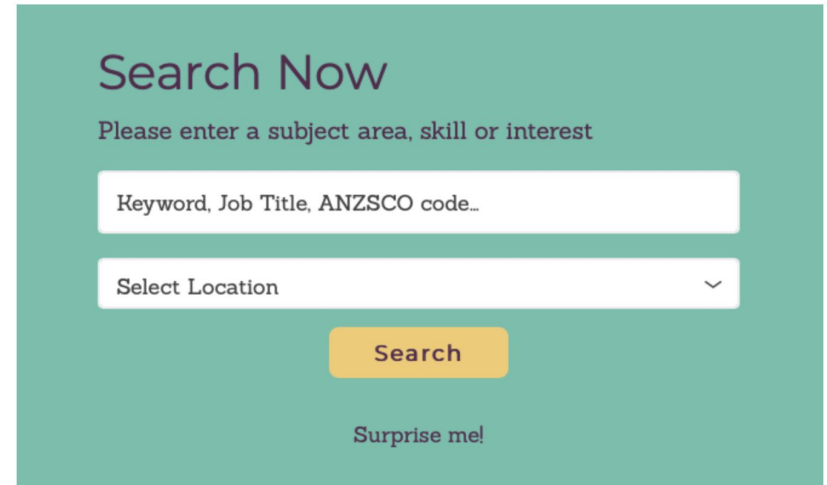**Social**   **Technological**

Ecological   **Legal**

PESTEL helps to provide a list of potentially important issues influencing the environment (and your strategy). It is important to assess the impact of each factor.

Each of these categories can be further broken down into sub-factors… This is the WHAT of the analysis.

Let's use an example….

PostAc https://thesiswhisperer.com/postac/

Inger tells us what PostAc is all about… What is it? How does it work? What problem is it trying to solve?

Political

Political factors include:
- The role of the state e.g. as an owner, customer or supplier of businesses.
- Government policies.
- Taxation changes.
- Foreign trade regulations.
- Political risk in foreign markets.
- Changes in trade blocks (e.g. BREXIT).
- Exposure to civil society organisations
(e.g. lobbyists, campaign groups, social media).

Do any of these factors impact PostAc, Inger? Could they?

Economic Factors

Economic factors include:

• Business cycles.

• Interest rates.

• Personal disposable income.

• Exchange rates.

• Unemployment rates.

• Differential growth rates around the world.

Inger talks about the link between the economy and participation rates in postgrad study

Social Factors

Social factors include:

•Changing cultures and demographics (e.g. ageing population in Western societies).

•Income distribution.

•Lifestyle changes.

•Consumerism.

•Changes in culture and fashion.

•Social networks within an organisational field

(e.g. with regulators, campaign groups, trade unions).

How do changing demographics impact PostAc? Does the massification of Higher Education impact PostAc?

Technological Factors

New discoveries and technology developments.

Examples include developments on the internet, nano-technology or the rise of new composite materials.

Inger and Jase riff about technology -

Robot Dogs! Drones! Ai! Remote Sensors!

Ecological Factors

This refers to 'green' or environmental issues, such as pollution, waste and climate change.

Examples are environmental protection regulations, energy problems, global warming, waste disposal and recycling.

Inger takes the opportunity to riff on about the environment, encourage people to get involved and help us try and save the planet…

It's all interconnected…
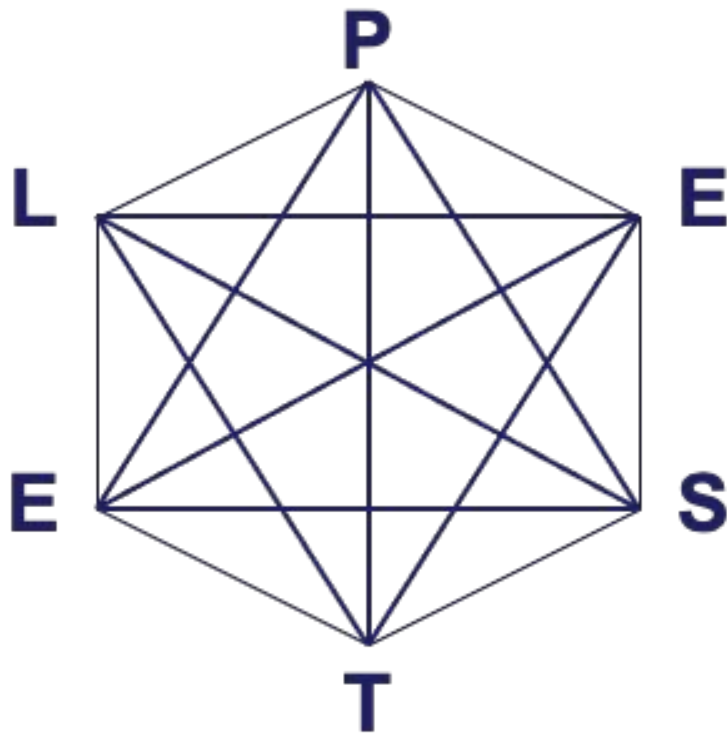
So how do you assess these things?

Break it down.

Within each category, give a relative 'strength' score for each sub-factor. Pick a scale - I don't care what you use, just be consistent. Eg. 0-5, 1-10 etc The higher the score, the more impact it has.

Total up the sub-factor scores - this gives you the category score. E.g, if you add all the scores of the sub-factors of "political" together, you might get a score of 13. Similarly, if you add all the scores for the sub-factors of "social" together then you might get a score of 27.

The highest scoring categories are the ones that you should be paying the most attention to.

What next?

The thing to remember here is that this is one layer of analysis and this one is really only about identifying the factors at play and tier relative strength.

It tells you The What, but doesn't tell you the WHY. Also, unhelpfully, it doesn't tell you what to do about it.

What it does do, though, is give you a framework to start thinking about things. These forces impact all businesses and subsequently all people who interact with those businesses.

Consider the forces that were at play in the demise of BlockBuster video. Now for fun and giggles, start walking around and asking yourself - how do these forces impact the businesses I interact with? What does this mean for me?

How I used this to shape my Higher Ed career

I could see that digital publishing was becoming easier and easier.

I could see that people were consuming more and more information digitally.

I could see that when looking around at how learning and teaching was done in universities, that HE had missed this opportunity and was resistant to change.

Action: I could leverage these big shifts and then start to innovate in my classrooms.

Universities like experimentation - especially if they think it'll lead to some sort of research output - so they were happy to let me "try new things". I turned that into "innovative" student engagement using tech tools like buffer and twitter etc within the classroom, and I leveraged that into unit design and I leveraged that into a VC's Learning and Teaching award.

Some useful sources of information…

CSIRO Report - Seven Megatrends that will influence the next 20 years
https://www.csiro.au/en/news/news-releases/2022/seven-megatrends-that-will-shape-the-next-20-years

Gapminder: https://www.gapminder.org/

World Bank OpenData: https://data.worldbank.org/

Our World in Data: https://ourworldindata.org/

Go see your librarian for more!