The Remote Environment

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The term remote environment describes a group of external forces that shape an organization's policies and strategies, that exist outside of the business’s control. The remote environment can be discussed in five distinct categories that pertain to society on a macro scale, including the prevailing socio-cultural, economic, political, technological, and environmental (Thompson, 2018 p. 47) trends that can affect decisions made at every level of a business’s leadership hierarchy. It is likely that some trends will carry greater weight than others, therefore it is imperative that decision-makers understand how changes in these factors tie-in to the company’s mission and vision.

**Socio-Cultural**

The United States of America is home to an extraordinarily diverse group of cultures that are shaped by the demographics of the country. It is best described by the values, traditions, and customs that guide its citizen’s behaviors. Social media websites such as Twitter, Facebook, and Reddit have become immensely popular with large swaths of the population. Before the appearance of social media, a company had to rely on traditional forms of advertisement such as print, television, and radio commercials to gain market share for its particular products or services. While these avenues of advertisement are still relevant today, times have changed dramatically, companies need to manage and maintain a social media presence to reach customers and compete with other firms vying for people’s attention. Another socio-cultural factor that has come to the forefront of business strategy is the urbanization of the country’s population. More and more people are leaving rural America and putting down roots in the country’s major cities. A 2018 study by Leyk, Jones, Montgomery, and Clark describes the trend of urbanization gaining momentum across the United States. Using data from the United Nation’s Urbanization Prospects 2018 revision, the study concluded that more geographic areas were becoming built-up to meet the definition of an urban area, and fewer people were choosing to remain in rural areas. The study estimates that by the year 2050, 66% of the population will reside in a city. (Balk et al., 2018) One effect that this will have on a business is that its customers who live in a city are likely to earn higher incomes than that business’s customer base from rural, agricultural economies. (Mann, 2016)

**Economic Factors**

Since the Great Recession of 2008, the United States economy has by-in-large recovered from the downturn that according to the Beauru of Labor Statistics, saw the loss of over 8.8 million jobs. (Goodman & Mance, 2011) The banks are lending again, and Americans are enjoying record low unemployment of just 3.7% (BLS, 2019) The economy is generally healthy and investors again have an appetite for risk. Funding for new businesses is much easier to obtain than it was in the depths of the great recession. There are signs, however, that this economic growth may be starting to turn around. The Federal Reserve Bank has cut interest rates by 25 basis points twice in the last six months, and the yield for short-term bonds has had periods where it exceeds the yield for long term bonds. This inversion of the yield curve can be interpreted as a harbinger of recession, and although growth in the United States economy remains strong, the same is not true across the greater world. If a business is looking to secure additional funding, it may be prudent to act quickly before the bank's appetite for risk dries up.

**Political Considerations**

In 2017 the administration of Barack Obama came to a close and the electoral college handed power to Donald Trump. Under Trump, a landscape of deregulation has fueled business growth to record highs. The S&P 500 stock index saw its first value over $3000 and reached new all-time highs of over $3025. Trump's business-first policies have seen tremendous success in the domestic economy, with investors in American companies seeing healthy returns on their invested capital. Trump has simultaneously taken a hard line with China’s economic practices such as intellectual property theft, forced technology transfers, and currency manipulation. The President has initiated an escalating series of tariffs and punitive policies against the People’s Republic in hopes that it will bring economic leverage to the negotiation of a comprehensive trade deal. These steps will ultimately impact American businesses, who will have to pay the import tariffs as well as suffer the consequences of China’s retaliatory measures such as cessation of Chinese state purchases of American soy. It is too early to tell how this will play out, but it is clear that Trump would like to see his trade war resolved before Americans go to the polls again in November 2020.

**Technology**

The technological landscape of the United States continues to grow at a blistering pace. The adoption of a 5G mobile internet infrastructure is at the forefront of technological development. As more and more devices are joining the internet of things, the capacity of mobile networks that provide service to these devices is in the midst of a major upgrade. Benefits such as substantially faster connection speeds (10Gb/s), higher reliability, and lower power usage will forever change the way that businesses are able to use big data to their advantage. While 5G begins to enter the landscape for urban networks, rural America still lags behind with sub-par connectivity. Broadband internet still has not found prevalence in a shockingly large percentage of rural areas and this is causing an educational gap between schools who are based in cities and schools based in the countryside “Nearly two-thirds of Nebraska’s districts have fewer than 500 students, and more than a third of the rural students have no broadband access at home, compared with just 9 percent of urban students.” (Berdik, 2018) The rural parts of the country are being left behind when it comes to education and the benefits that broadband internet provides to students. The impact on business marketing needs to pay close attention to the content of its internet-based advertisements to allow their message to penetrate into parts of the country that have not been as exposed to internet culture.

**Ecological**

As the political deregulation of environmental laws and standards becomes more pronounced under the Trump administration, the costs associated with modernizing business infrastructure have dropped as companies no longer need to budget vast amounts of money to stay in compliance. Although legal requirements may have wained in recent years, the benefits of adhering to an environmentally friendly business model remain. Efficient energy use, as well as recycling materials, can provide substantial cost benefits to the companies who follow them. Further, there is a growing consumer desire for products and services that will be sustainable into the future. Companies can attract new customers by adopting environmentally friendly practices and promoting practices through advertisement. It is unknown to what extent future administrations will allow pollution through waste and emissions, and it may be wise for businesses to stick to the eco-friendly model they were becoming accustomed to.

**Conclusion**

Many of the changes we have seen throughout the past decade have stemmed from the increased connectivity of organizations and their customers. It is unlikely that this trend will change in the decade to come. The competitive advantages gained through globalized supply chains and labor procurement are likely to be the key to remaining relevant as the world continues to change. The responsibility to manage these changes ethically is is up to each and every decision-maker in business, as the consequences of acting unethically can lead to difficult consequences such as boycotts, labor strikes, and regulatory penalties. “Laws alone are a poor substitute for morality. The greatest blessing of living in a free society is that we have the ability to steer ourselves. Once we give up that ability, that privilege, we risk losing sight of the ethical spirit and the law becomes a cage.” (Driscoll, 2011)

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