

HOW TO PREDICT PROBLEMS WORTH SOLVING & JOBS TO BE DONE



U of T's Professor Richardson is the epitome of a globe-trotting White Hat Digital Mercenary.

In no particular order:

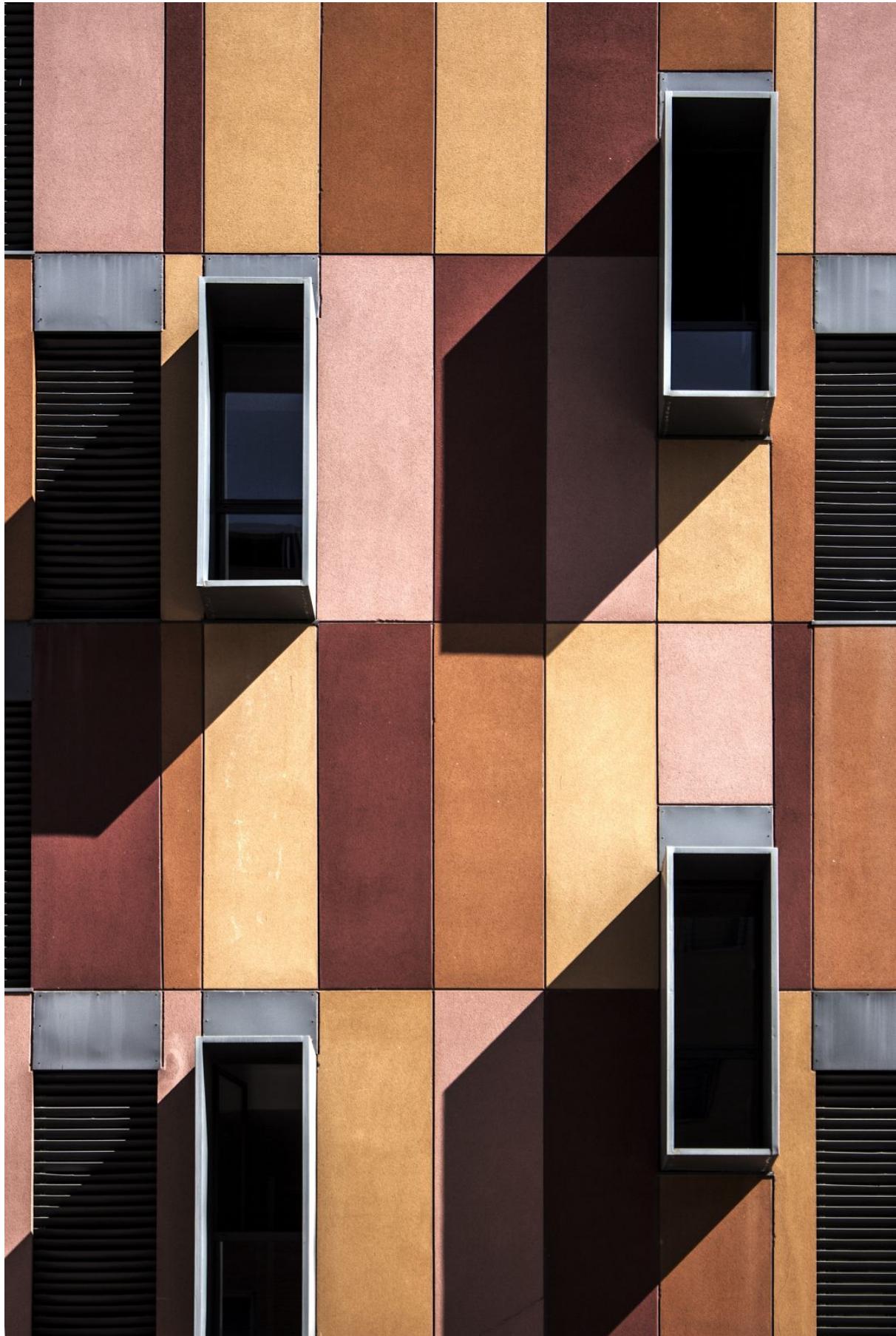
- Former Executive Director of the Canada-Japan Trade Council
- Two Black Belts
- Two degrees from Canada's best-kept secret, Queen's University
- Fluent in Japanese
- Vertebrate Paleontology Enthusiast

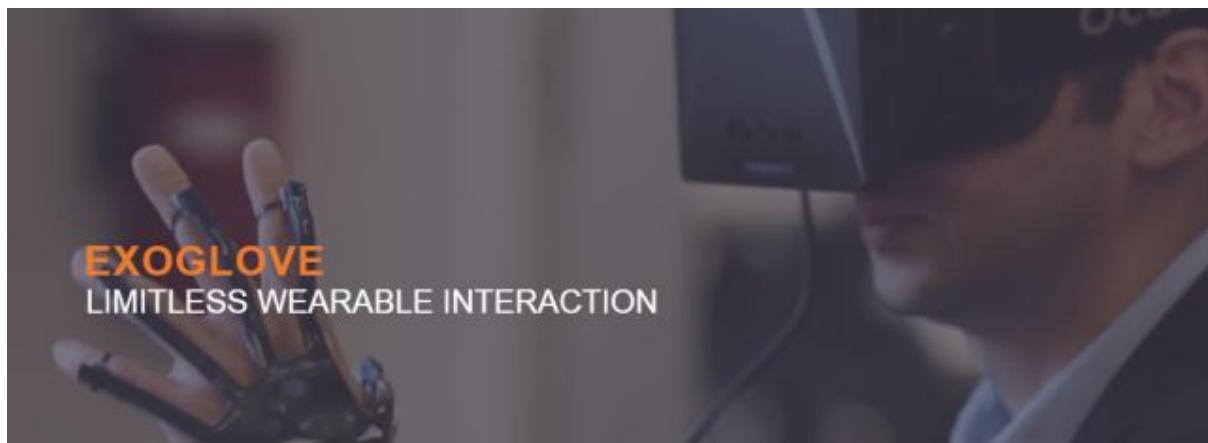
He's pretty much the International [James Bourne](#) of Business. In 2005, Professor Richardson hired me as his Teaching Assistant, and my life would never be the same.

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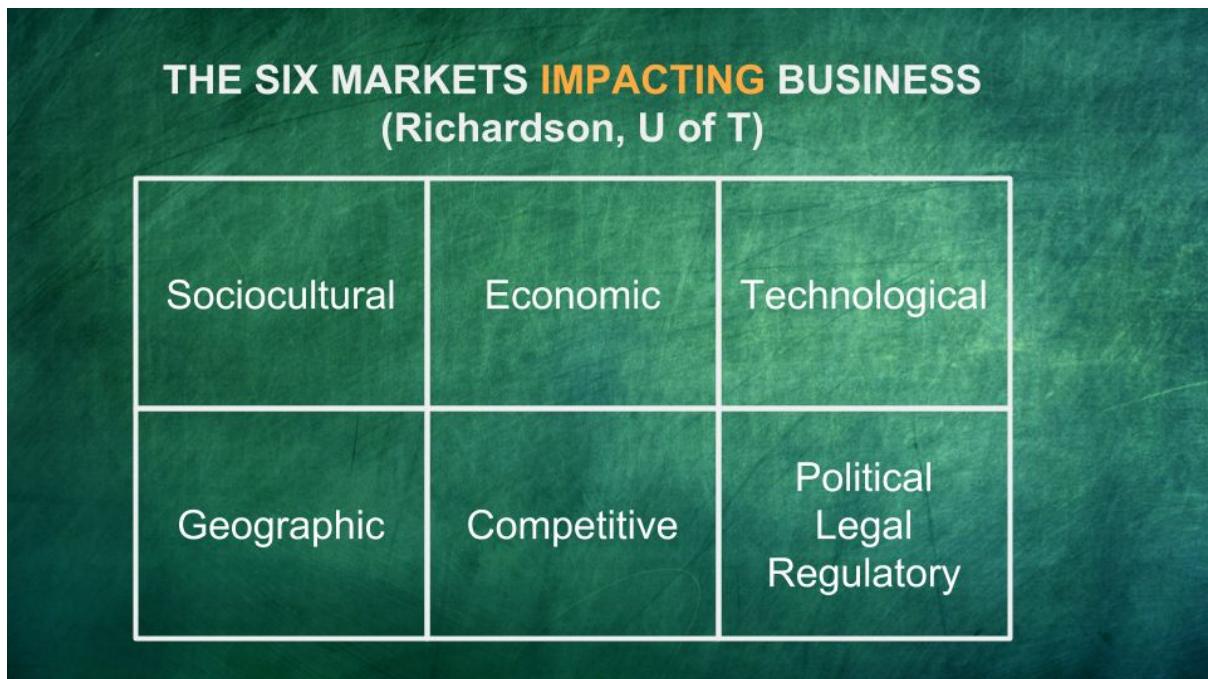


Toronto's Next Billionaire Wants Every Hand to Control a New Reality

The Six Environments in ACTION

Tucked away from the humid, subtropical climate of the Nanshan district in Shenzhen, Martin LaBrecque is quietly becoming Toronto's next billionaire.

He's in the right place. Shenzhen is the premiere incubator for aspiring billionaires in China. Why? It's where the country's most elite PhDs choose to manufacture 90% of the world's electronics.



After all, when you're just 15 minutes away from Hong Kong's aquarium of savvy VC's, validated prototypes can become full-fledged products in no time.

So what is the chief executive officer of Breqlabs up to?

Resurrecting Virtual Reality



Virtual reality was supposed to be the next big thing awhile ago. Too long ago, actually.

The success of Niantic's Pokemon GO proved that an immersive, action-oriented, full-body experience was what mixed reality was sorely missing. Full embodiment is, after all, one of the most crucial gatekeepers of Flow.

It's not enough to see that we're in an altered reality—we need to feel like we're in an altered reality. So what have the VR visionaries come up with so far to solve this problem of full embodiment?

So far, all the Goliaths have to show for their efforts are shiny pointers. Google's best effort is called Daydream. It's a pointer. Samsung's best effort is the Gear VR Controller. It's a pointer, too.

Here's the thing: I don't point for a living. I do, however, use my hands a lot. My hands are typing this sentence right now. I eat pizza with these hands. I play with my girlfriend's hair with these hands.

I wish someone would just let me use my hands.

One Glove to Rule Them All



There are a few solutions that claim to duplicate the capabilities of Martin's revolutionary ExoGlove. A closer look easily refutes these promises.

The Captoglove is a powerful solution that raised \$100,000 by building a solid community of backers on Kickstarter. Breqlabs, on the other hand, is backed by HTC's \$12-billion dollar VR fund.

Manus VR, one of the Martin's fiercest and most established competitors, partnered with Flexpoint for their tracking capabilities. Breqlabs, in stark contrast, invented their own, in-house. How? Martin just happens to have a PhD in Processor Architecture specializing in FPGA-Based Software Packet Processing.

If that wasn't enough to scare off his competitors, he has the lowest bill of materials in the game. That helps when you're mass-producing hardware.

The Billion Dollar Business Plan



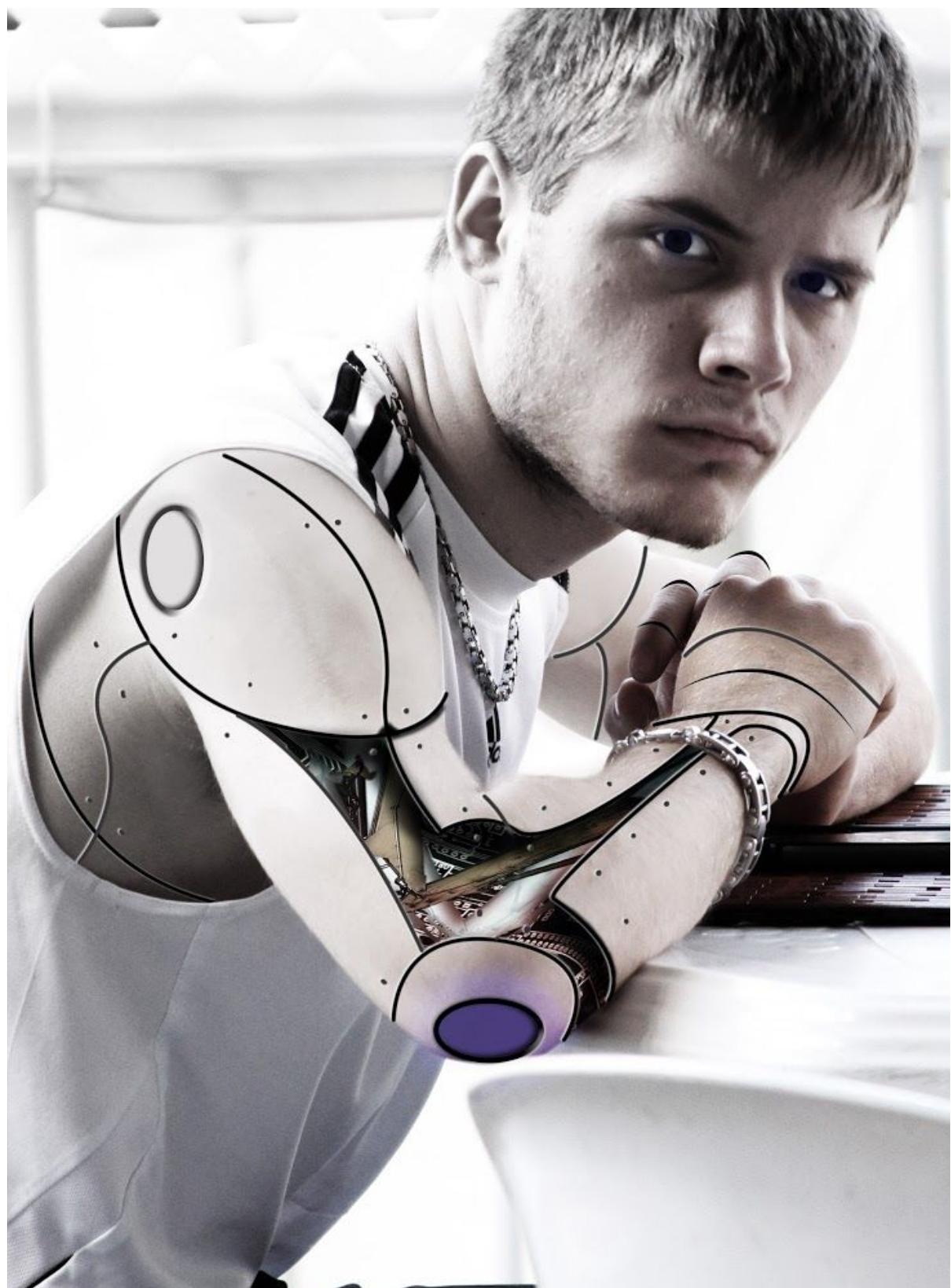
PhD notwithstanding, it's Martin's business savvy that will propel Breqlabs into orbit.

Unlike most entrepreneurs, his plan is not to become a household name. Instead, he's going to white label the ExoGlove. That means he's about to sell it to everyone, letting them rebrand it any way they choose.

That's why he's in Shenzhen. He's surrounded by mentors and VC's who've been there, and done that, many times over.

And don't think for a second that this is just some kind of pie-in-the-sky roadmap, either. The largest smartphone and headset manufacturers in the world got in touch with Breqlabs years ago when they realized they wouldn't catch up in time. After all, Martin and his team were the first to crack 3D tracking for mobile VR.

When he unleashes his ExoGlove onto the global marketplace, who's to say the BodyGlove won't be next? At any rate, Martin and his team have proved, once again, that time between ideation and physical manifestation has never been shorter.



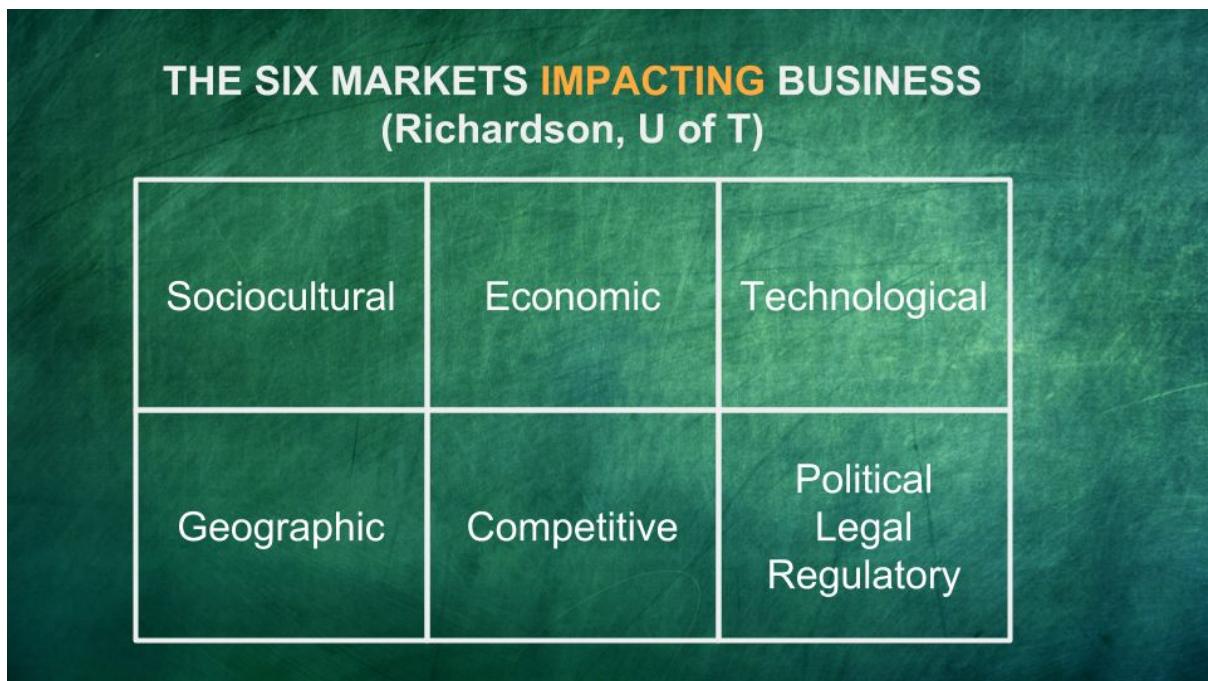
Lesson Description

How you react to the influences of the Six Environments is the key to your success.

You can monitor the changes in an Environment and plan accordingly, or you can just react as each situation develops and hope to survive. Successful companies are the ones who see trends developing and plan in advance to deal with the anticipated changes.

Understanding the effect of the Six Environments that influence business is a major part of a good marketing education.

When you read the list of Six Environments below, keep in mind some current business stories in the newspaper and see if you can apply each of the Environments to the story.



Learning Objectives

The objectives for this unit are to help the reader understand:

- The role played by each of the Six environments in business
- That these Six environments can in turn influence each other
- That being aware of changes in the Environments can help one do business effectively

When the reader has mastered the art of the Six Environment Theory, they will be able to predict billion-dollar product categories and emerging industries by anticipating Problems Worth Solving and Jobs To Be Done.

The Monsters that Haunt The Dreams of Disruptors



Today, there are two questions that haunt the dreams of every disruptive Venture Capitalist, Founder, Designer, Engineer, and Salesperson:

- Is my solution addressing a high-impact Problem Worth Solving/Job To Be Done OR
- Am I simply wasting my time, my investors time, my family's time, my children's time...am I simply wasting my very LIFE FORCE on a solution that nobody needs?

**We all have many jobs to be done in our lives.
Some are little (pass the time while waiting in line);
some are big (find a more fulfilling career). Some
surface unpredictably (dress for an out-of-town
business meeting after the airline lost my
suitcase); some regularly (pack a healthful lunch
for my daughter to take to school). When we buy a
product, we essentially “hire” it to help us do a
job. If it does the job well, the next time we’re
confronted with the same job, we tend to hire that
product again. And if it does a crummy job, we
“fire” it and look for an alternative. (We’re using
the word “product” here as shorthand for any
solution that companies can sell; of course, the
full set of “candidates” we consider hiring can
often go well beyond just offerings from**

companies.) (Source: Know Your Customers Jobs To Be Done, Harvard Business Review)

Unfortunately, there isn't any literature on how Problems Worth Solving and Jobs To Be Done ARISE in the first place.

Just how do opportunities EMERGE!??

Business has already been solved. Unfortunately, too much time is spent studying and applying disciplines in the wrong order.

How Might We Forecast Problems Worth Solving & Jobs To Be Done?



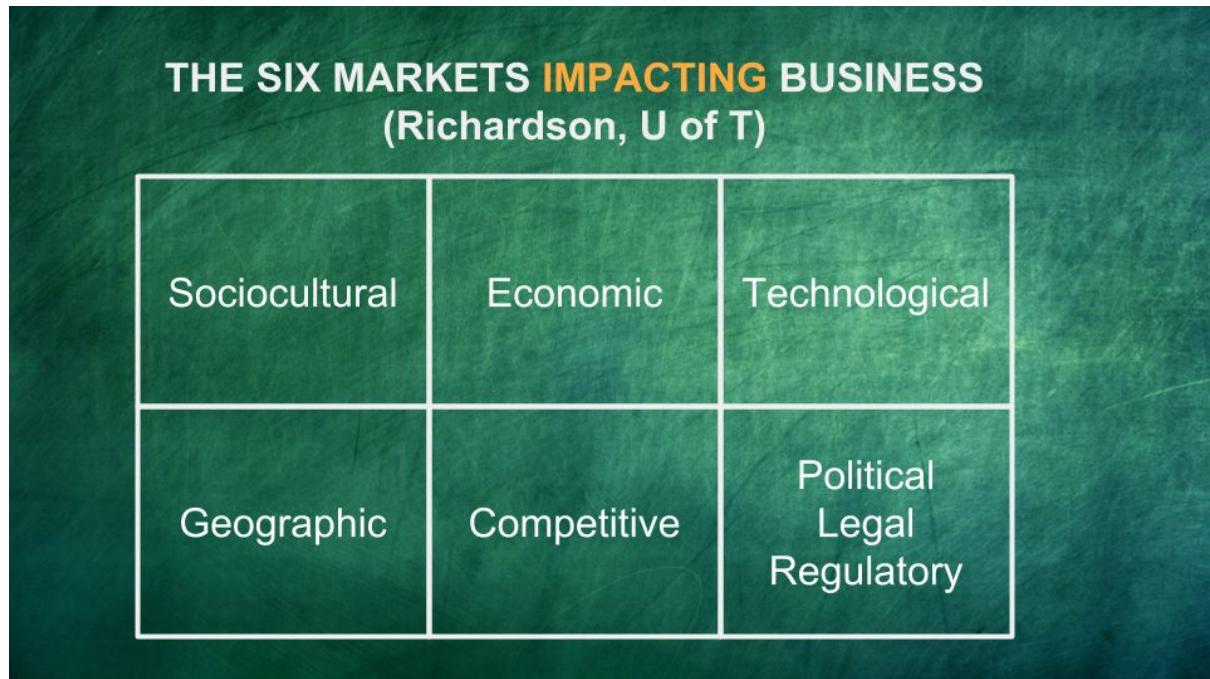
It stands to reason that if we could PREDICT which Problems Worth Solving and Jobs To Be Done are **worth solving ahead of time**, we would rescue our time, energy, and budget from building perfect solutions nobody cares about.

The Six Environments that work together to produce Problems Worth Solving and Jobs To Be Done are as follows:

- Sociocultural
- Economic
- Technological
- Geographic
- Political / Legal / Regulatory
- Competitive

In a sentence, Professor Richardson's Six Environment Theory is the one framework that can help disruptive Founders, Designers, Engineers, and Salespeople make rapid, high-impact, well-informed, decisions from moment to moment.

The Six Environment Theory for the Fourth Industrial Revolution



Richardson's Original Six Environment Theory of Business:

A basic education in business and marketing at the college or university level gives the student an understanding of the **Four P's** - things you **can** do something about - and the **Six Environments** - things you **cannot** do anything about.

The Four P's are things you can change:

- You can adapt the product
- Change the price
- Modify your promotion and
- Move your place of sale

The Six Environments which are OUTSIDE of your control consist of the:

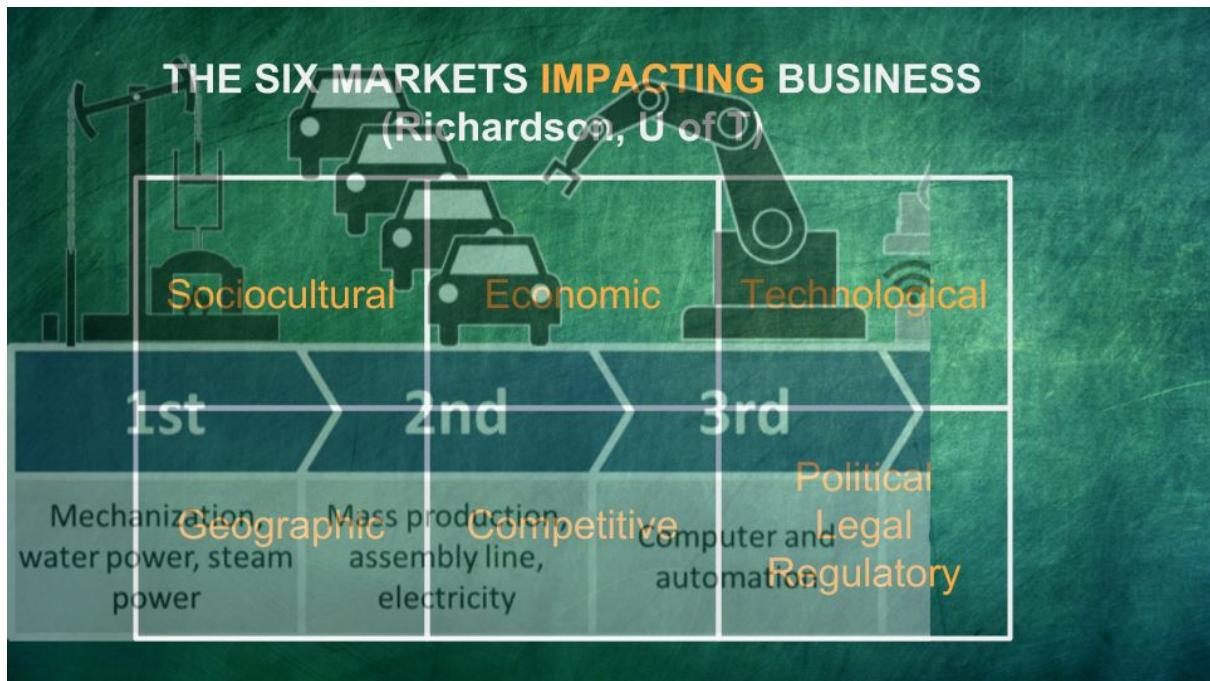
- Sociocultural Environment
- Technological Environment
- Political / Legal / Regulatory Environment
- Geographic Environment
- Economic Environment
- Sociocultural Environment
- Competitive Environment

How you react to the influences of the Six Environments is the key to your success.

You can monitor the changes in an environment and plan accordingly, or you can just react as each situation develops and hope to survive. Successful companies are the ones who see trends developing and plan in advance to deal with the anticipated changes.

As you learn more and more about the Six Environments, keep in mind some current business stories in the newspaper and see if you can apply each of the environments to the story.

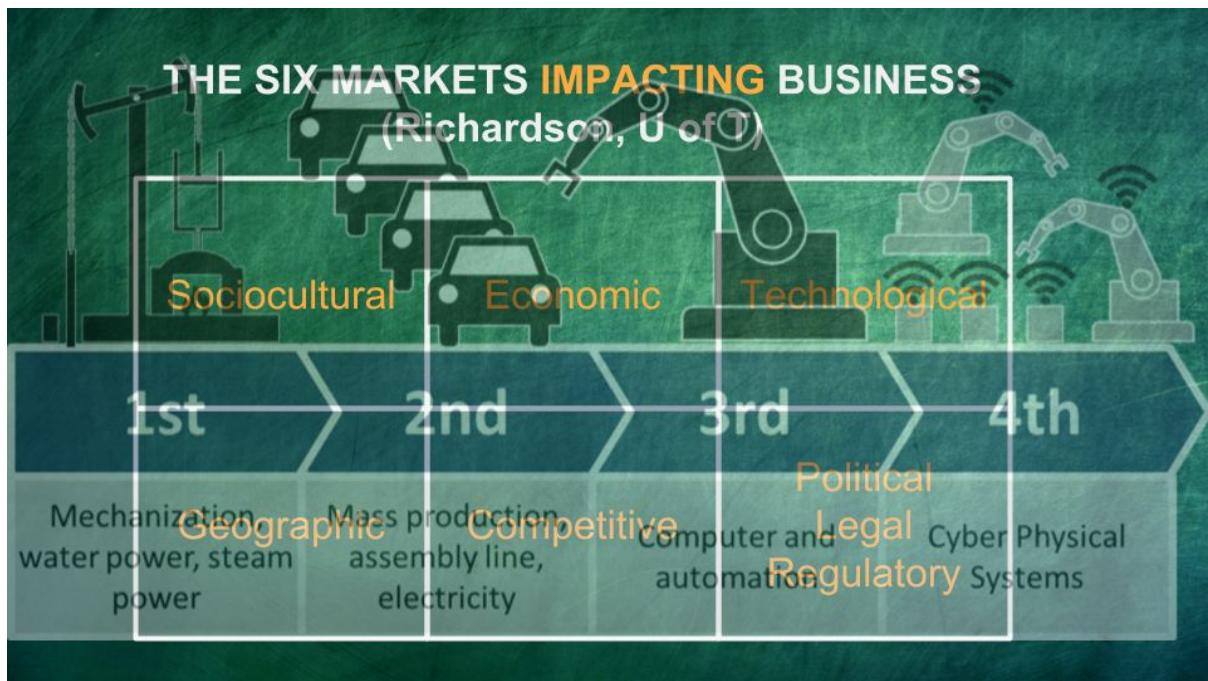
Six Environment Theory of Business | Third Industrial Revolution



In the Third Industrial Revolution, energy alternatives and the sudden massive improvement in global communication technology swept across the globe.

During this time, your success was determined by your ability to manipulate the Four P's in relation to the ever-evolving trends shaping each of the Six Environments.

Six Environment Theory of Business | Fourth Industrial Revolution



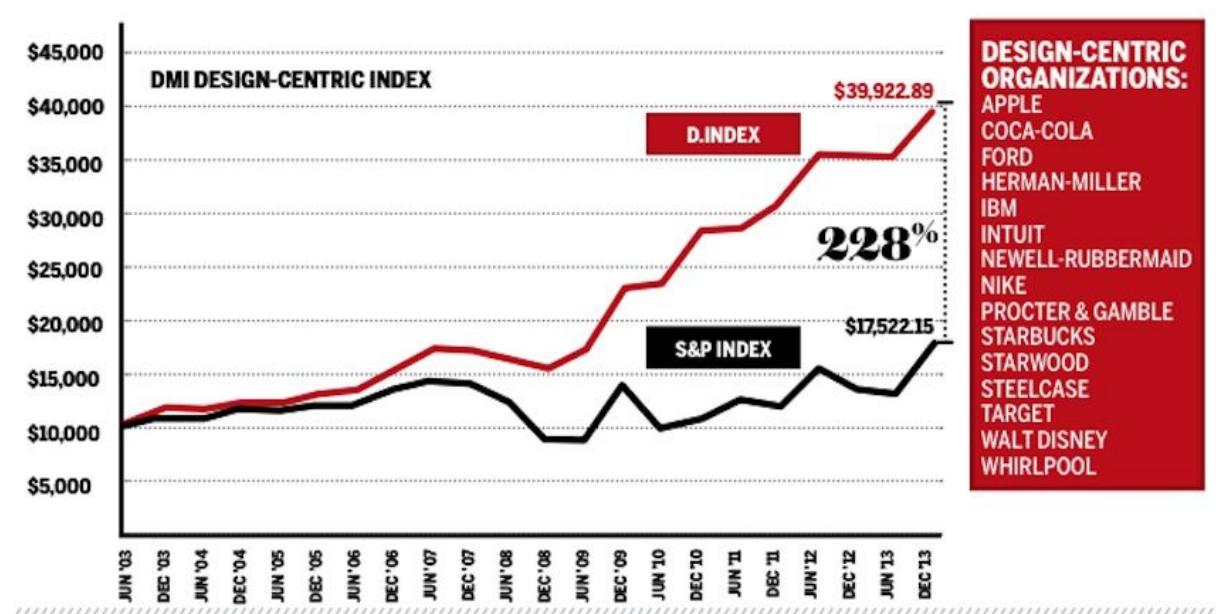
The Fourth Industrial Revolution describes a world where, AI, genetic modification, and robotics converge in real time to create problems worth solving and jobs to be done that nobody could have ever predicted.

As the Technological Environment takes center stage, the other Environments become increasingly susceptible to individual influence. For example, a simple paper authored by Carnegie Mellon PhD Dr. Leemon recently disrupted the blockchain market with his patented improvement called Hashgraph. Uber's Travis Kalanick invented by a new product category while ignoring the laws enacted by every North American transportation regulator.

Never before has the time between ideation and physical manifestation been shorter. Never before has a single individual held so much power to change the world.

In light of this, we propose that the Four P's and Six Environments can BOTH be wielded by the Fourth Industrial Entrepreneur to invent anything they put their mind to.

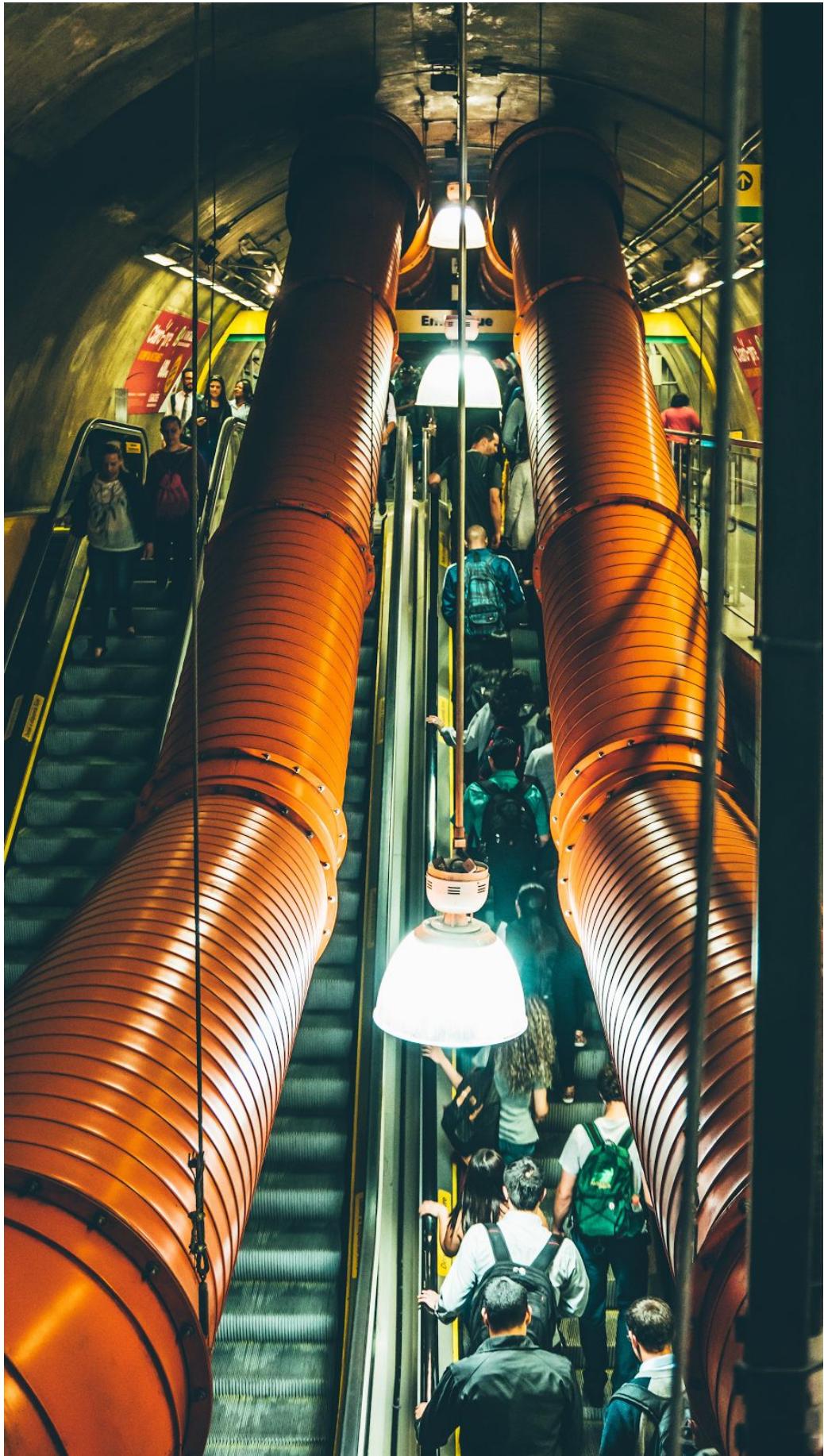
The Driving Force Behind Design Thinking & Gamification



The first and most important Environment that will determine whether you succeed or not is the Sociocultural Environment.

The Sociocultural Environment addresses the following question:

Is there a single, identifiable economic buyer for this offer, readily accessible to the sales channel we intend to use, and sufficiently well-funded to pay the price for the whole product? In the absence of such a buyer, sales forces waste valuable time evangelizing groups of people trying to generate a sponsor. Sales cycles drag on forever, and the project can be shut down at any time. - Moore, Crossing the Chasm





The Sociocultural Environment

Demographics explains "two-thirds of everything".

- Foote, Boom Bust & Echo

Last spring, I worked alongside the mobile engineering team of one of the world's wealthiest banks. The goal was to build the mobile banking app of the future.

After interviewing a number of industry thought leaders - from Serverless Software Engineers to Design Sprint Masters - I realized that everyone from Google to Square was creating the Fourth Industrial Bank.

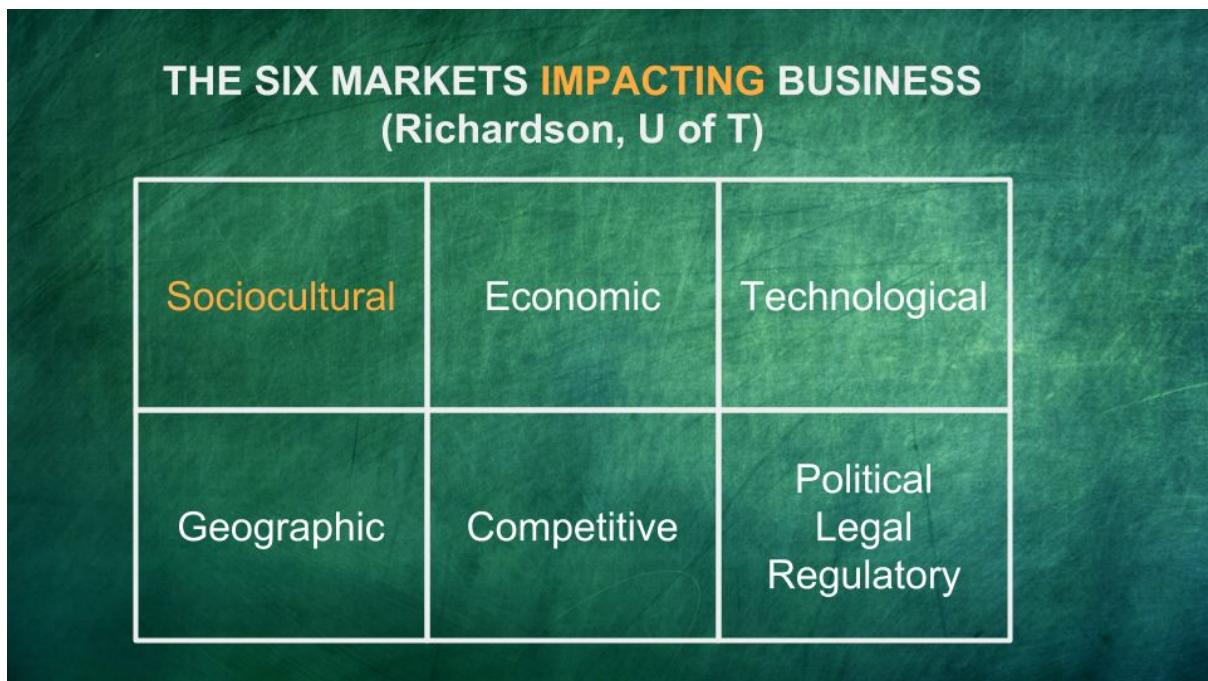
77 percent of users never use an app again 72 hours after installing. - [Android Authority](#)

When I discovered that Millennials were the largest demographic group in North America as of June 2016, I sprung into action.

Lesson Description

Knowing about the Sociocultural circumstances of your target country will help you make money and avoid costly mistakes. No consumer products company can afford to make mistakes in an intensely competitive market.

The degree to which you must be culturally aware in marketing international business products and services depends, to some extent, on whether the product/service is a consumer product or an industrial product.



Learning Objectives

The objectives for this unit are to help the reader understand:

- The role played by the Sociocultural Environment in business
- The role that the Sociocultural Environment plays in influencing the other Environments
- That being aware of changes in the Sociocultural Environments can help one do business effectively

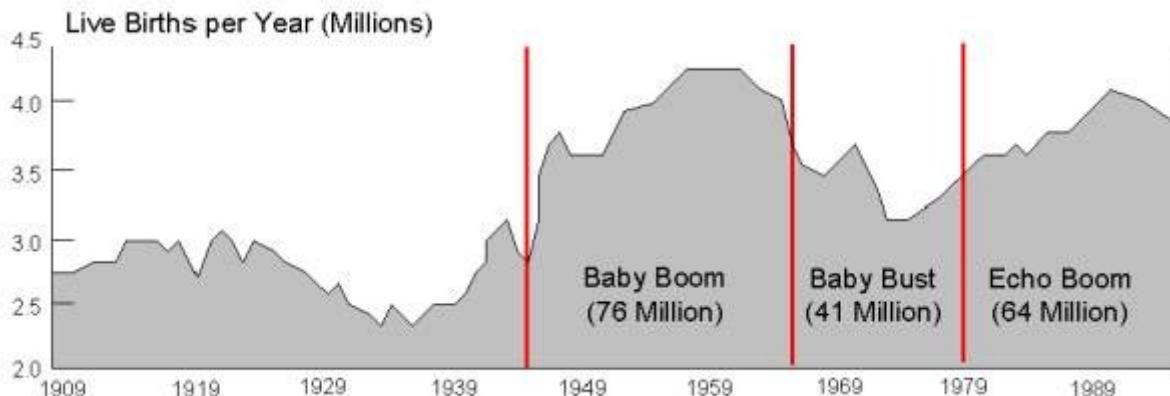
When the reader has completed this unit it would be expected that they could read information about a marketing, business or international business situation and analyze this in terms of what Environments are involved and how they exerted influence - in particular, the Sociocultural Environment.

The Power of the Sociocultural Environment



When US & Canadian soldiers returned from World War II, they were exhausted, shell-shocked, and happy to be alive.

Most of all, they were eager to reunite with their loved ones, people they thought they'd never see again.



Naturally, when the soldiers stepped foot on land, the reuniting began in full swing, sparking a boom in baby-making activities throughout the continent. In fact, so many babies were born between 1944 and 1955 that they were called the Baby Boomers.

Boom Bust & Echo

In his groundbreaking work, Boom Bust & Echo, Foote showed how the largest population group in the US - these very Baby Boomers - influenced the invention of billion-dollar giants in trillion-dollar industries.

In the fifties, Baby Boomers began wolfing down one assembly-line driven burger after another. The oil and fat they ate caused zits to appear on their faces. Luckily, Noxzema was there to help remove any unwanted pimples before their big date. In the sixties, they

bought Volkswagen Bugs. In the seventies and eighties, they bought houses, started investing, and fed their kids McDonald's Happy Meals. Today, they're buying...new hips?

In each case, the established giants and innovative start ups that focused on the Problems Worth Solving and Jobs To Be Done specific to Baby Boomers made a FORTUNE.

In 2015, a new group overtook Baby Boomers as the largest demographic group in North America.

The Sociocultural Environment In Action



When I worked alongside the mobile engineering team of one of the world's wealthiest banks, it was the opportunity of a lifetime. Their goal was to build the mobile banking app of the future.

Mobile Banking App of the Future

The core team was comprised of some of the most intelligent people I'd ever met. Everyone had their specific areas of expertise: serverless backend engineering, user experience, etc.

My expertise? I earned a seat at the table by identifying, actionable, million-dollar ideas in quick succession using Professor Richardson's Six Environments.

In order to create the mobile banking app of the future, we needed to create a captivating User Experience (UX) that users would be extremely likely to recommend to their friends. Specifically, I wanted to customize our user experience towards the specific group of people that were the most likely to use, receive benefit from, and RECOMMEND a mobile banking app to their friends.

By recognizing the power of the Sociocultural Environment, choosing the ideal target market for our mobile banking app was DEAD SIMPLE.



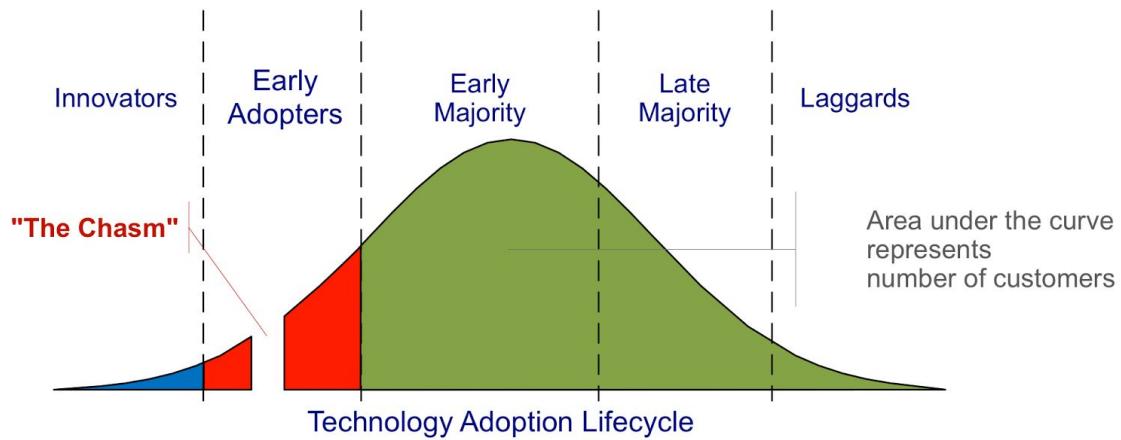
Why Do People Buy?



Why do people buy stuff? Why do people download an app? Someone they trust tells them to!

When someone tells someone to try a new app, we call this word-of-mouth advertising. Word-of-Mouth Advertising is the most powerful way to convert someone who doesn't use your app into someone who TRIES your app.

When a user tries your app, this is called Product Trial. Product Trial is the last stage before Product Purchase.



Therefore, the more influential users you can have using your app, the more your app will be used by the people who trust them.

Who are the most influential users of mobile apps? Who are the Innovators and Early Adopters of mobile technology/apps? 18-34 year-old's AKA Millennials.

The NEXT Boom

As I sat in my condo's shared office space, I discovered that Millennials had quietly displaced Baby Boomers as the largest demographic group in North America in 2015. WOW.

At the time, Venmo was doing an AMAZING job of target Millennials. Venmo rose to fame by helping Millennials split the cheque after a meal. By solving that simple problem, they quickly gained traction and began fielding buyout offers.

Soon after, they were bought by BrainTree for \$23M, which was then purchased by PayPal for \$800M. I knew I was onto something.



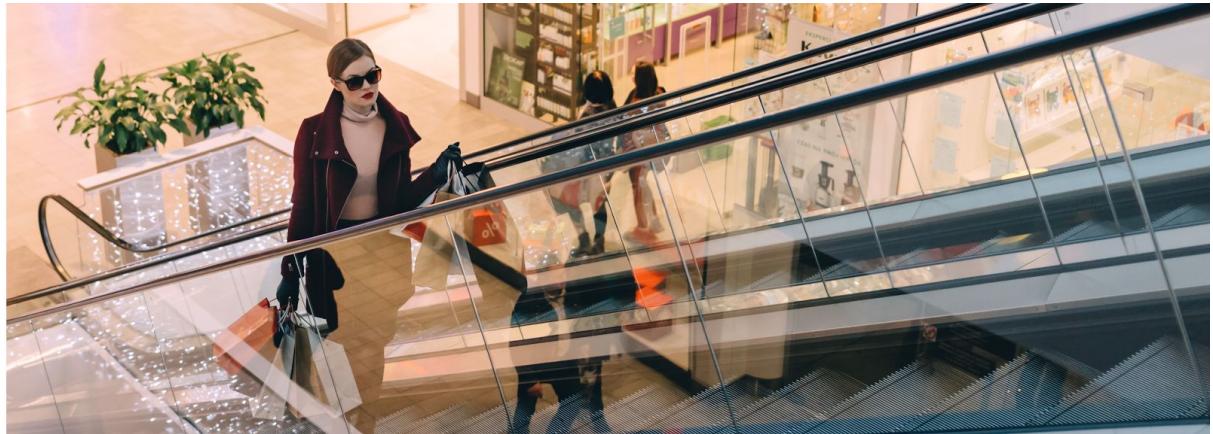
Boom Bust & Echo taught me to focus on the on the largest demographic group in the country. My rationale for choosing Millennials as the juiciest, most profitable target market for our mobile banking app of the future, went like this:

1. ...if Word-of-Mouth advertising leads to Product Trial and Product Purchase...
2. ...and If 18-34 year old Millennials are the number one user of mobile apps...
3. ...and Millennials tell their parents what apps to download...
4. ...if Millennials downloaded and received a massive amount of value from our app...
5. ...they'd tell their parents - Generation X & Baby Boomers - to test our mobile banking app, eventually leading to Product Purchase!

In other words, by focusing on the Problems Worth Solving & Jobs To Be Done of a single demographic group, I believed we'd eventually get the rest of the market.

We made our pitch for a Millennial-centric UI/UX and waited to hear back.

Unfortunately, I was too late. Just months later, they integrated with Apple & Google Pay. Venmo is now on track to process over \$20 billion worth of transactions per year.



What will Apple & Google do now that they have an unlimited supply of Millennial purchasing data? Invent their own bank, of course. They are, after all, the masters of Data-Driven Product Development.





The Economic Environment

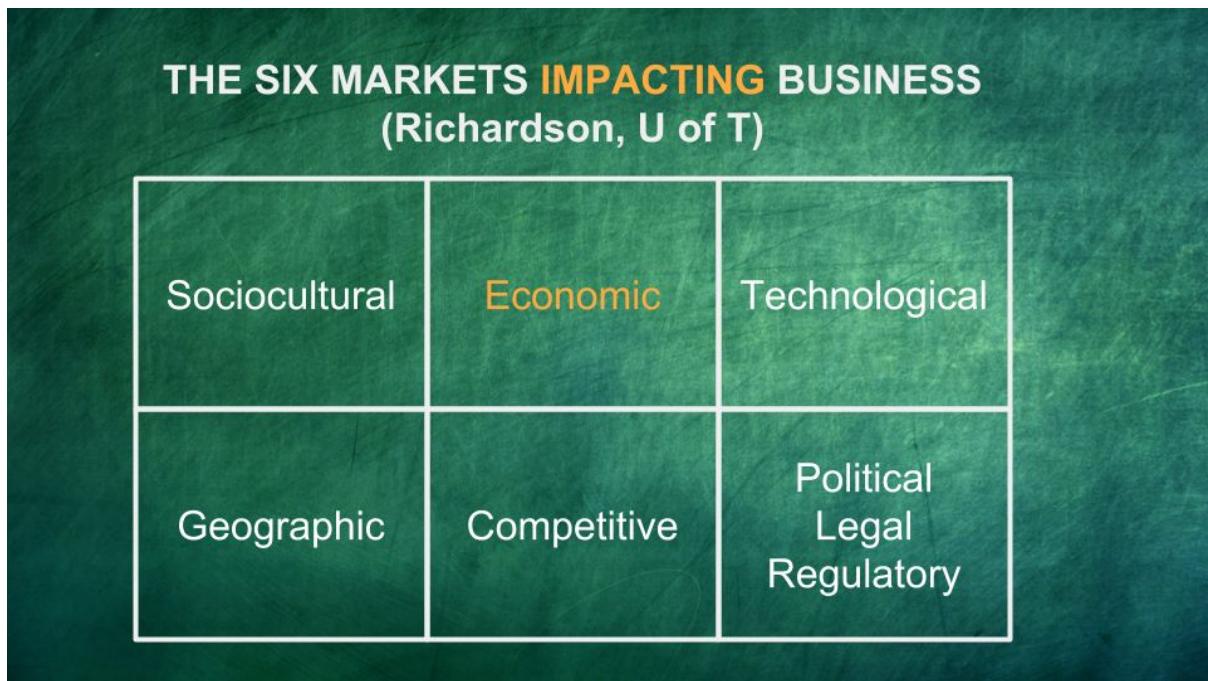
The domestic Economic Environment in each country is highly integrated with the Economic Environment in other countries.

Example: China's stock market drops - Canada's TSX drops.

It was explained in The Star (Sept 1st, 2009) that the Toronto stock market dropped due to declining commodity prices, which is a big part of Canada's exports to China.

Lesson Description

The purpose of discussing the Economic Environment is to give the student an understanding of some of the ways you can understand changes in the Environment and how these changes influence your decisions - i.e. the dollar going up or down affects how much you can afford to import a component part from a particular country.



Learning Objectives

The objectives for this unit are to help the reader understand:

- The role played by the Economic Environment in business
- That role that the Economic Environment plays in influencing the other Environments
- That being aware of changes in the Economic Environment can help one do business effectively

When the reader has completed this unit it would be expected that they could read information about a marketing, business or international business situation and analyze this in terms of what Environments are involved and how they exerted influence - in particular, the Economic Environment.

The Power of the Economic Environment



Money is the grease that turns the wheels of an economy.

Traditionally, governments have controlled the flow of money in their country's economy.

Today, digital money aka cryptocurrencies like Bitcoin, Ethereum, and NEO are taking the world by storm.

[Blockchain 101](#)

Don Tapscott at TEDSummit

How the blockchain is changing money and business

18:49

Share Add to list Like Rate

A screenshot of a TED talk video player. The video features a man in a suit speaking on stage. The background is a large, stylized graphic of a blockchain chain made of gold coins. The title of the talk is "How the blockchain is changing money and business". The video player includes standard controls like play, volume, and a progress bar showing 18:49. On the right side, there are social sharing icons for "Share", "Add to list", "Like", and "Rate".

- 1:46 - 4:21: Why Middle Men Are DANGEROUS (Tapscott predicts Equifax breach).
- 4:21 - 4:54: Bitcoin defined.
- 4:54 - 7:15: Bitcoin defined IN RELATION TO Blockchain.

- 9:10-18:00: From dictators to record labels - Blockchain's first victims.

The Trillion-Dollar Question

The trillion-dollar question is this: which digital currency is going to last? Might Bitcoin, Ethereum, and NEO get replaced just as quickly by a new digital currency tomorrow?

For that, we need to understand who manufactures these digital currencies.

Without boring you, [China manufactures the majority of all digital currencies](#), from Bitcoin to Ethereum and everything in between. This means that they have the power to 'move the market' or determine the price and value of the digital currencies they manufacture.

In order to understand which digital currency will last, all you have to do is look at which digital currency China is backing ([NEO](#)).

Or do you? Hashgraph - a revolutionary new distributed ledger - could be Blockchain's fiercest competitor. Until the [true scope](#) of Hashgraph's capabilities compared to Blockchain, the entire digital currency market is in the air.



The Economic Environment in ACTION



Thirty Trillion Up For Grabs

North America is experiencing the largest wealth transfer in history.

According to a study from consulting firm Accenture, baby boomers have started to pass along their life savings to their heirs, and this process will continue over the next few decades. When done, some \$30 trillion will be transferred from one generation to the next. ([Source](#))

As our parents and grandparents pass away, their money, land, and other assets are being transferred to their children and grandchildren. Interestingly enough, a lot of grandparents are giving their money to charity instead of their children.

Financial Advisors are going to make a KILLING by charging 2% of every dollar transferred.



The Technological Environment

When you're first starting out in your career, especially when you're in tech, it's hard to decide what to specialize in. There's so much that's cool and exciting!

What Tech Do I Focus On???

As you grow into an Entrepreneur/Inventor, you're going to have to decide which technological trends you're going to focus and capitalize on...and which ones you're going to ignore.

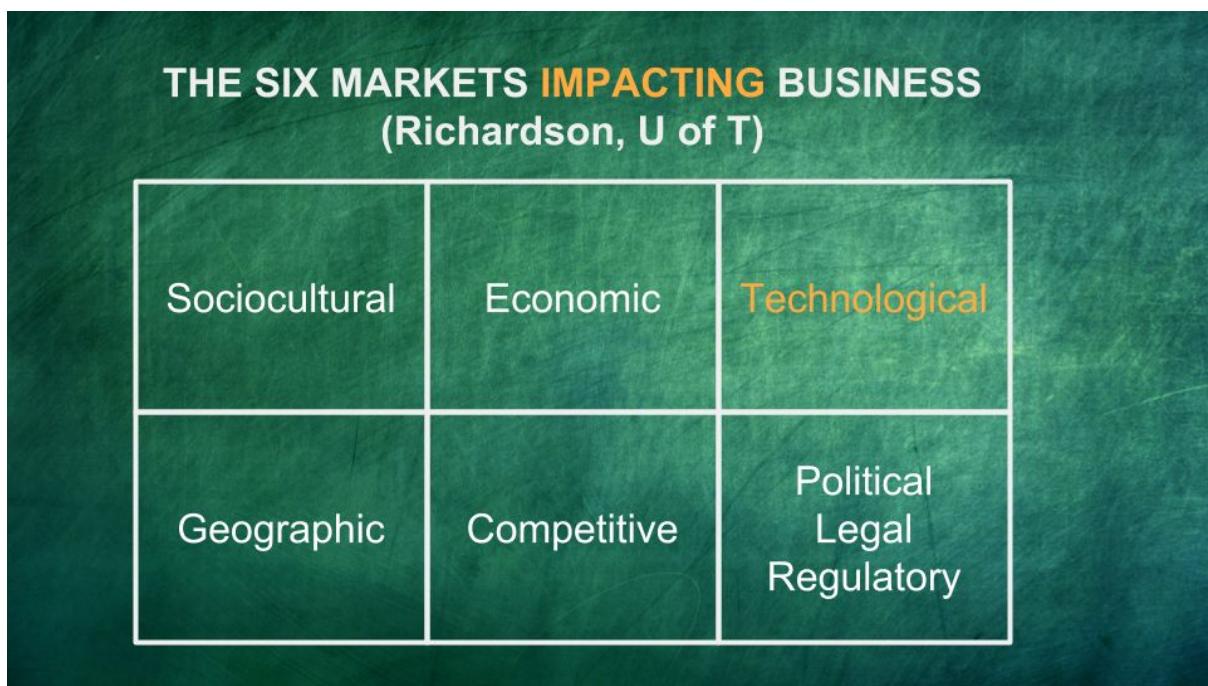
Unfortunately, many entrepreneurs get caught off guard by technologies that destroy their business models seemingly overnight.

The good news is that you don't have to be caught blind-sided by high-impact technology trends like Software-As-A-Service, Blockchain, and Hashgraph again. Using the Gartner Hype Curve, you can decide what to technology trends to focus on, and which ones you can ignore.

Lesson Description

When most people think of the Technological Environment the first thing that comes to mind is whether or not they "have the Internet". This is only one part of the world of business.

The Technological Environment could be something as simple as whether or not vendors use Interac to receive payment. The Technological Environment also covers road and rail and ocean transportation as well as communications. In some parts of Africa, technology has been delayed for decades, but when it did arrive, they skipped directly to cell phones without even bothering to put in telephone poles and land lines.



Learning Objectives

The objectives for this unit are to help the reader understand

- The role played by the Technological Environment in business
- That role that the Technological Environment plays in influencing the other Environments
- That being aware of changes in the Technological Environment can help one do business effectively

When the reader has completed this unit it would be expected that they could read information about a marketing, business or international business situation and analyze this in terms of what Environments are involved and how they exerted influence - in particular, the Technological Environment.

The Power of The Technological Environment



The Electricity Transfer

In the early days of electricity, Chief Operating Officers had to build and operate their own electric generators in order to power their manufacturing plants.

Why? The power grid had short arms and couldn't transport the electricity reliably enough.

However, when the electricity infrastructure finally matured into a stable, reliable, powerful solution, business immediately replaced their Electric Generator Departments with an Electric Bill.

The IT Infrastructure Transfer

Similarly, there's another massive transfer occurring in Enterprise IT.

Today, most companies operate their own IT infrastructure. They buy hardware, software, and humans in order to run the technology that drives their email, websites, MS office, etc.

By 2025, this will no longer be the case. For a fraction of the cost, the world's largest cloud/edge Manufacturers - Microsoft Azure, Amazon AWS, Google Cloud Platform (...and Packet?) - will handle all of your IT infrastructure needs.

That means IT Directors won't have to own a physical piece of hardware again. Instead, a small handful of highly-capable architects and engineers will orchestrate and the complex, automated IT solution for the business.



The Technological Environment In ACTION



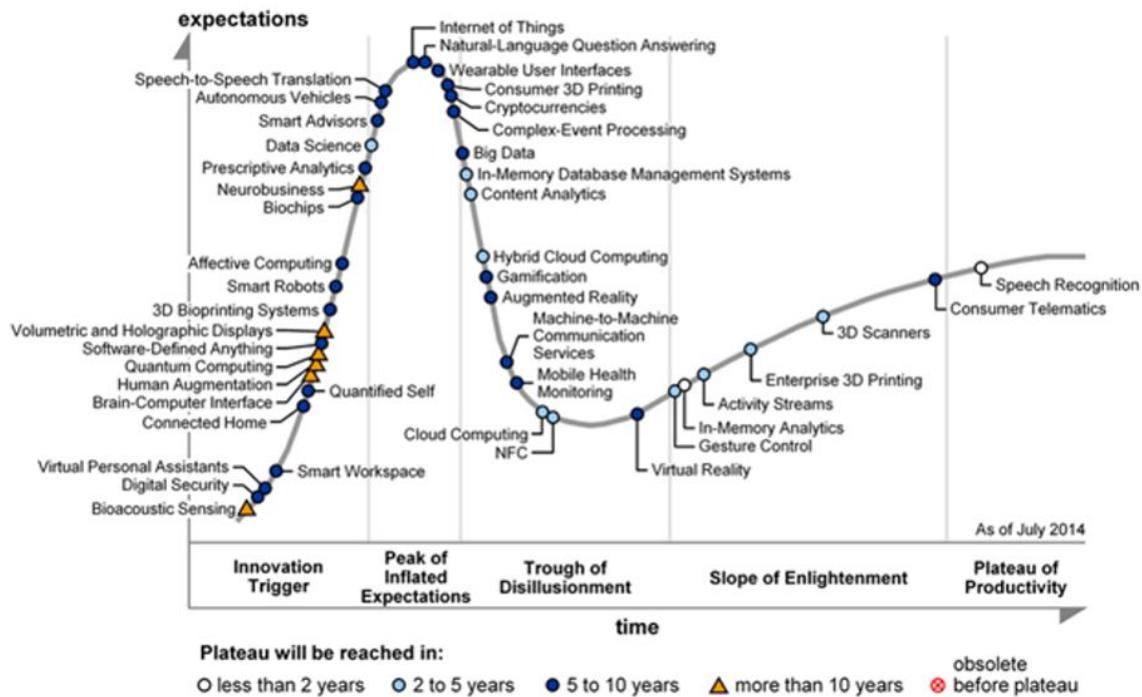
"When new technologies make bold promises, how do you discern the hype from what's commercially viable? And when will such claims pay off, if at all? Gartner Hype Cycles provide a graphic representation of the maturity and adoption of technologies and applications, and how they are potentially relevant to solving real business problems and exploiting new opportunities. Gartner Hype Cycle methodology gives you a view of how a technology or application will evolve over time, providing a sound source of insight to manage its deployment within the context of your specific business goals." ([Gartner](#))

Gartner's Predictions from 2014

Let's look at 2014's Hype Curve. It stands to reason that if you knew these trends back in 2014, you would've been able to predict which business would be successful or not.



Gartner Hype Cycle for Emerging Technologies, 2014



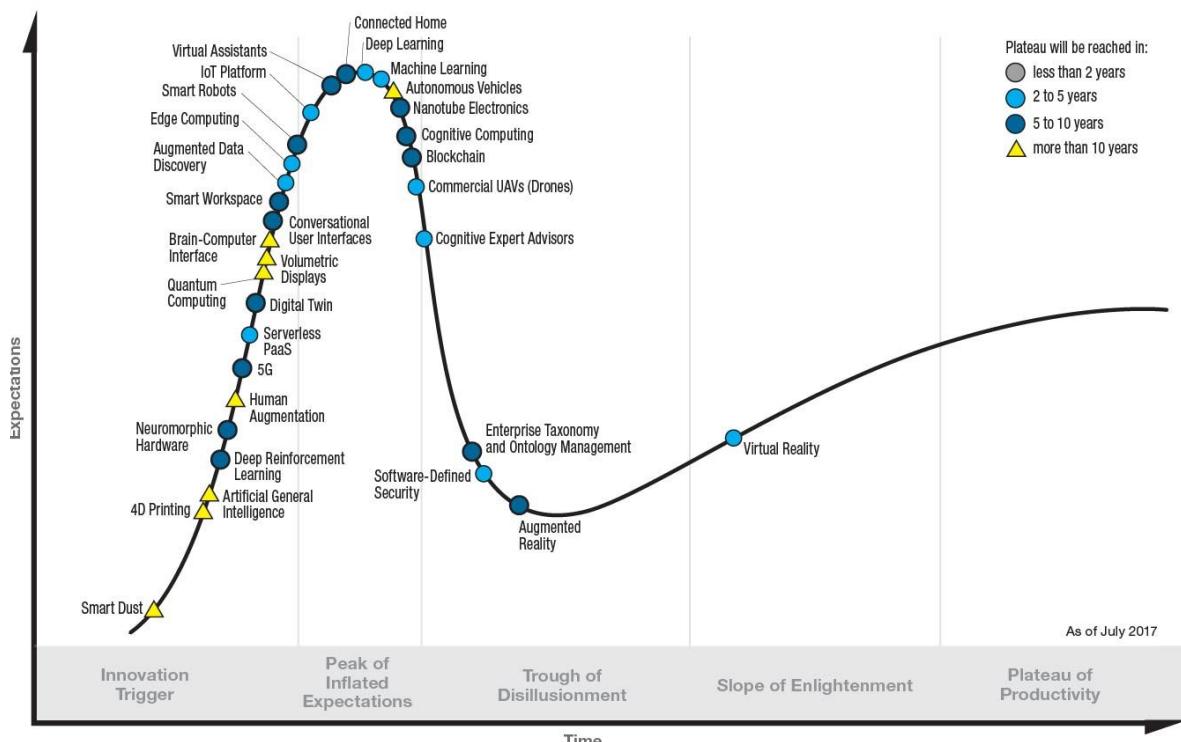
Trillion-Dollar Trends

- **Software-Defined Anything** - The driving force behind [Google Cloud Platform](#).
- **Gamification** - The driving force behind the most captivating communications ever - video games and cartoons.
- **Data Science** - The driving force behind, well, everything.
- **Cryptocurrencies** - The driving force behind the Fourth Industrial Economy.
- **Hybrid Cloud Computing** - The driving force behind AWS, [Amazon's CASH COW](#).
- **Machine-to-Machine Computing** - The driving force behind [EDGE Computing](#) (AI meets AI and they both make decision in real time)

Gartner's Predictions from 2017

Now let's look at 2017's Hype Curve. Which trends do you think will dominate?

Gartner Hype Cycle for Emerging Technologies, 2017



gartner.com/SmarterWithGartner

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Trillion-Dollar Trends

- Artificial General Intelligence - [The Divinity of Number](#) necessitates the invention of a general AI. Companies will brand their AI's, from doctors to personal trainers.
- Edge Computing - Today, decisions are made in the cloud. By 2020, decisions will be made by [AI's interacting with other AI's](#) (i.e. a Tesla AI dances with a Ford AI to narrowly avoid a deadly collision).
- Hashgraph > Blockchain - The driving force behind the [best distributed ledger in the game](#).





The Political / Legal / Regulatory Environment

Uber, the revolutionary ride-sharing app, would NEVER have become the global powerhouse it is today without the savvy legal maneuverings of former CEO, Travis Kalanick.

**Stop quoting laws, we carry swords! - Gnaeus
Pompeius Magnus, ~106 BC**

Specifically, Kalanick leveraged the supreme popularity of Uber to IGNORE transportation regulators in North America. Pretty insane and daring when you think about it!

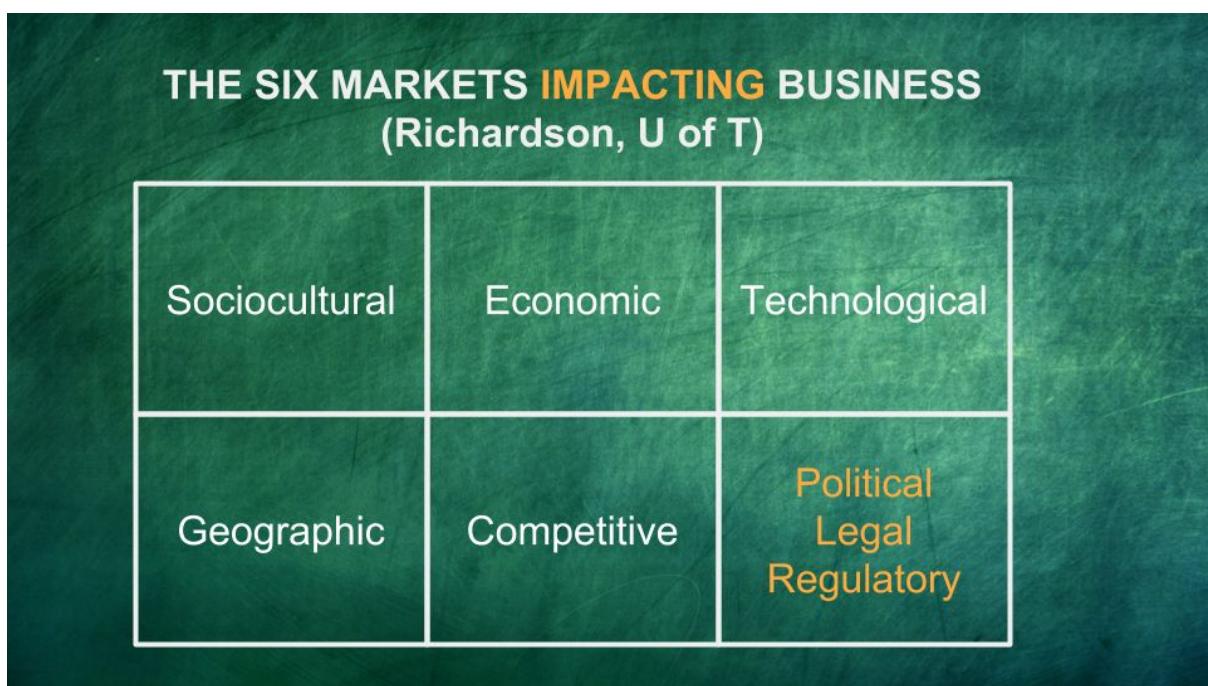
**It does seem a marvellous business model if you
can get away with it. These companies parade the
'flexibility' their model offers to drivers but it
seems the only real flexibility is enjoyed by the
companies themselves. - Labour MP Frank Field**

Unfortunately for Uber, Kalanick found it MUCH more difficult to ignore the transportation regulators in England and China.

Lesson Description

The Political / Legal / Regulatory Environment can be simply described as the laws and regulations that business has to follow in order to make sure the business owners do not get arrested or have the business fined for noncompliance of some regulation.

Laws are made by politicians. Politicians enact laws based on the likelihood they will get re-elected. The Political Environment is affected and effected by politicians who in turn are influenced by changes and challenges in the Sociocultural environment (languages, ethnicity, immigration etc.), challenges in the Economic Environment (currency exchange rates, corporate activity, unemployment rates), etc.



Learning Objectives

The objectives for this unit are to help the reader understand

- the role played by the Political / Legal / Regulatory Environment in business
- that role that the Political / Legal / Regulatory Environment plays in influencing the other Environments
- that being aware of changes in the Political / Legal / Regulatory Environment can help one do business effectively

When the reader has completed this unit it would be expected that they could read information about a marketing, business or international business situation and analyze this in terms of what Environments are involved and how they exerted influence - in particular, the Political / Legal / Regulatory Environment.

The Power of the Political / Legal / Regulatory Environment



When he was the Director of the Japan-Canada Trade Council, a Japanese food manufacturer sought Professor Richardson's advice on making millions.

Specifically, the Japanese food maker wanted to [sell jam in Canada](#).

There was just one problem: where was the fruit??

So You Think You Can Jam?

In Canada, you can't just call anything 'jam.' The Canadian Food Inspection Agency requires that jams contain at least 45% ACTUAL fruit.

How much fruit did the Japanese food manufacturer's bottle contain? Less than 10%.

To sell their product legally in Canada, Professor Richardson told them they'd have to change the labeling from jam to 'spread.'

They didn't want to call their product a spread. They wanted to call it jam. People typically don't get excited for spread unless it's Nutella. They decided not to sell in Canada.

The Political / Legal / Regulatory environment is often a direct consequence of the political parties in power, which represents the popular opinion of the citizens of the region. If the citizens are, for example, pro-Big Business then probably taxation will be modest and there will not be a lot of stringent rules about environmental considerations. If the citizens are very concerned about safety issues, for example, then there will be a lot of rules and regulations governing things such as transportation safety, which will make it more expensive for some companies that have big shipping costs.

The rules and regulations created by politicians have a significant influence on the cost of running a business and the way it can market products and services. For example, Canada has strict regulations around the advertising of alcohol and tobacco.



The Political / Legal / Regulatory Environment in ACTION



Uber Flexes Its Muscles

During Uber's meteoric rise, CEO Travis Kalanick told North American transportation regulators that [he didn't really care about the law](#).

While Uber's supreme usefulness to commuters allowed them to ignore the opinion of North American lawmakers, European & Asian transportation regulators saw Kalanick coming a mile away and prepared themselves for battle accordingly.

London's Bridge Is Rising Up

As I write this, Uber is battling the UK transportation regulator for the right to keep operating in London.

In response, since Uber couldn't ignore London lawmakers like they did in North America, they've hired Laurel Claire Powers-Freeling, former director at the Court of the Bank of England, as Chairman for Uber UK. When you can't beat lawmakers, you hire a lobbyist to influence the government.

Hiring Lobbyists to change the law is as American as apple pie.

Kalanick, You're So Cute!

When Kalanick said he wanted to dominate the Chinese market, CEO of Didi Chuxing, a competing ride-sharing app, called his intentions, 'cute.'

After three years of trying and failing to make significant headway into the Chinese market, [Kalanick sold Uber China to Didi Chuxing](#). Why?

When the Chinese government legalized ride sharing, it included provisions making it illegal to engage in a practice Uber has become famous for

— selling rides below cost to push out competitors. It played this game with Didi, and Liu made fun of Uber for it.

"Have you seen in other places market leaders buy market share?" Liu said. "Normally it's always the smaller player with smaller scale, lower efficiency, and in most cases worse service that needs to buy market share to heavily subsidize. ([Business Insider](#))

Even as China relaxed their ride-sharing regulations, they DIDN'T allow Uber to undercut their competition's price.

Heck, when you consider that the Chinese government is thinking about [holding 1% equity in the largest Chinese web companies](#), maybe Uber didn't stand a chance in the first place.

Fun fact: Months before Didi swallowed Uber, [Apple invested \\$1B](#).



The Competitive Environment

The Battle for Sweet Drink Dominance

Snapple is competition for Coke in the category of "refreshing drinks", but not competition in the category of "carbonated cola drinks"

However, as the Social-Cultural Environment changes, the segment for carbonated cola drinks may decline as alternatives become known among other variations of beverages - as in the case of how ice tea became popular in the 1990's.

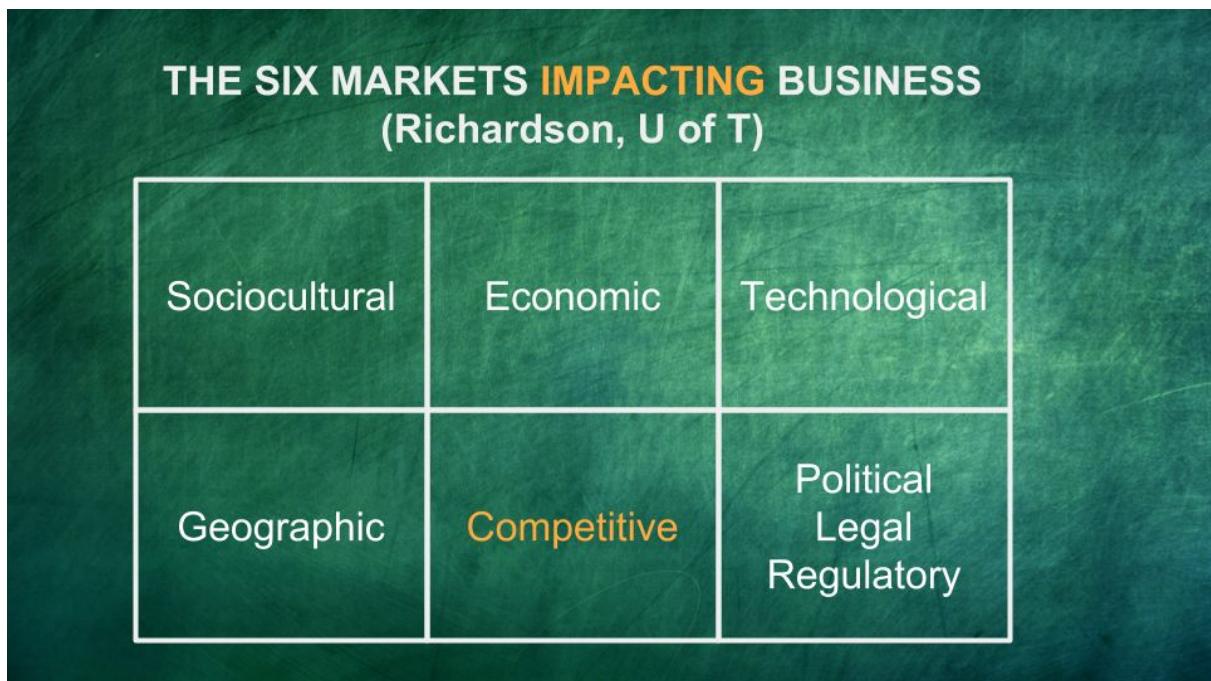
Lesson Description

Why is it important to know who your competitors are?

You might think it is obvious - "People who sell the same stuff as us" but in reality, the question is quite complicated.

If you do NOT know who your competitors are, then you will not be able to comprehensively gather the required Competitor Intelligence in order to develop appropriate plans, strategies and tactics to allow you to meet your firm's marketing objectives.

Secondly, if you do not know who your competitors are, you cannot do a complete SWOT analysis which requires you to identify "Threats".



Learning Objectives

The objectives for this unit are to help the reader understand:

- The role played by the Competitive Environment in business
- That role that the Competitive Environment plays in influencing the other Environments
- That being aware of changes in the Competitive Environment can help one do business effectively

When the reader has completed this unit it would be expected that they could read information about a marketing, business or international business situation and analyze this in terms of what Environments are involved and how they exerted influence - in particular, the Competitive Environment.

The Power of the Competitive Environment



Business competitors are:

- Other organizations offering the same product or service now
- Other organizations offering similar products or services now
- Other organizations offering a variation on a product or service, that you cannot
- which could be because 3rd party vendors make accessory items, or "apps" for you, or your competition
- which could be because you did not update your software to follow trends
- Organizations that could offer the same or similar products or services in the future
- Organizations that could remove the need for a product or service we sell

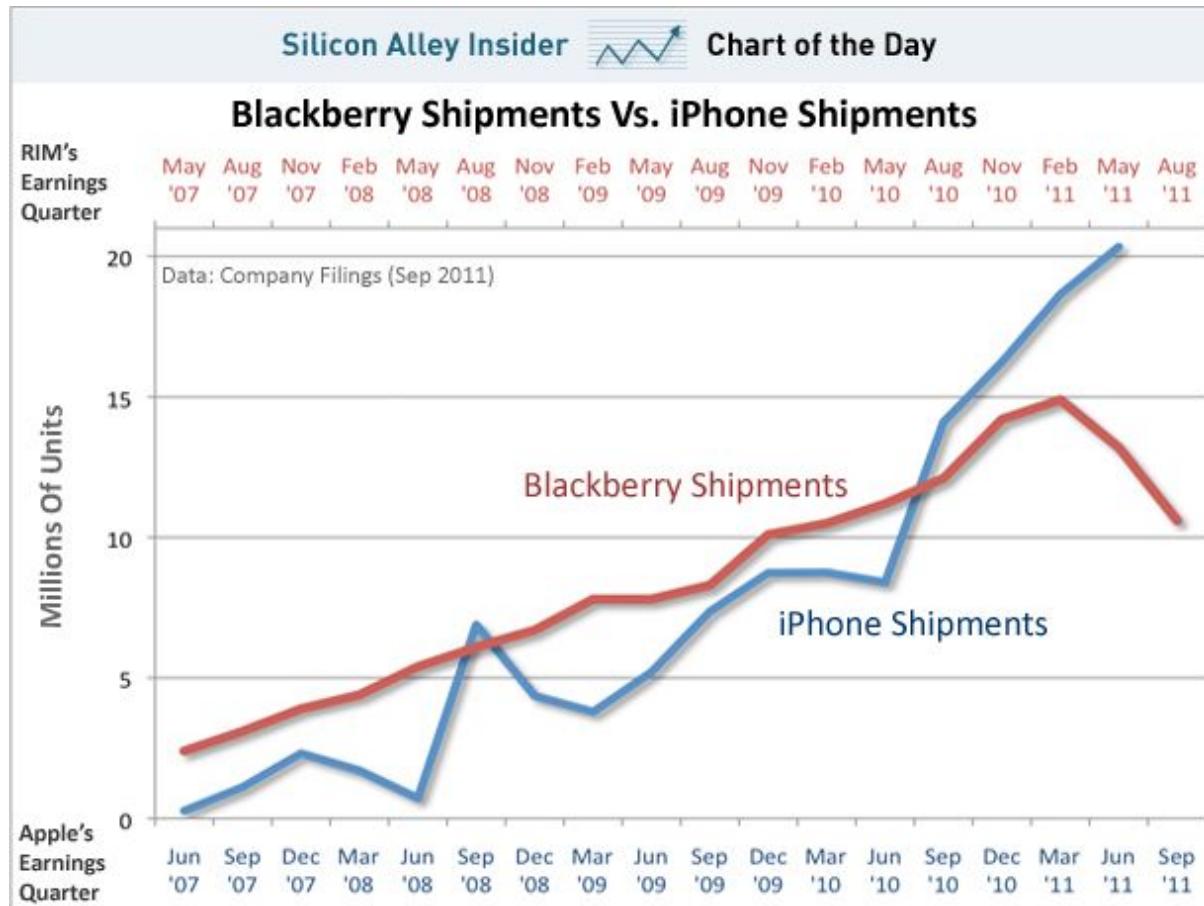
If the Competitive Environment is intense, it means you have a lot of companies carrying out strategies such as

- Copying your product and knocking off your designs,
- Selling below your price,
- Using some of your advertising themes and concepts
- Paying better wages to employees,
- Sell a slightly different product that can be substituted for your's,

Therefore it will be necessary to

- Utilize every resource in the technological environment,
- Attend to all the language and gender and age considerations of the social/cultural environment
- Carefully analyze trends in the economic environment
- Monitor political movements and upcoming changes in the regulatory environment
- Prepare contingencies for threats from weather extremes and the geographic environment,

The Competitive Environment IN ACTION



Blackberries or Apples?

When Blackberry first started selling smartphones it did not consider Apple a direct competitor in the beginning because Blackberry had BBM and other things which they thought made for a more attractive product.

As iPhone became more popular among MAC users, and then the general public, it was followed by thousands of developers making "apps".

Unfortunately for R.I.M., most of the app developers only made an app which could be run on iPhone, or iPhones and Android, leaving Blackberry users without these particular opportunities.

So we can see that over time iPhone became a stronger competitor NOT only in a direct one-to-one context of product versus product, but also provided competition by virtue of the fact the iPhone became a more "useable" product because of the many 3rd party entities creating apps for the iPhone.





The Geographic Environment

As I write this, every city in North America is hoping that Amazon will chose them as the location for their second headquarters (aka Amazon #HQ2).

The Fight for Amazon #HQ2

Like many of you, I firmly believe that Toronto is head and shoulders above competing cities.

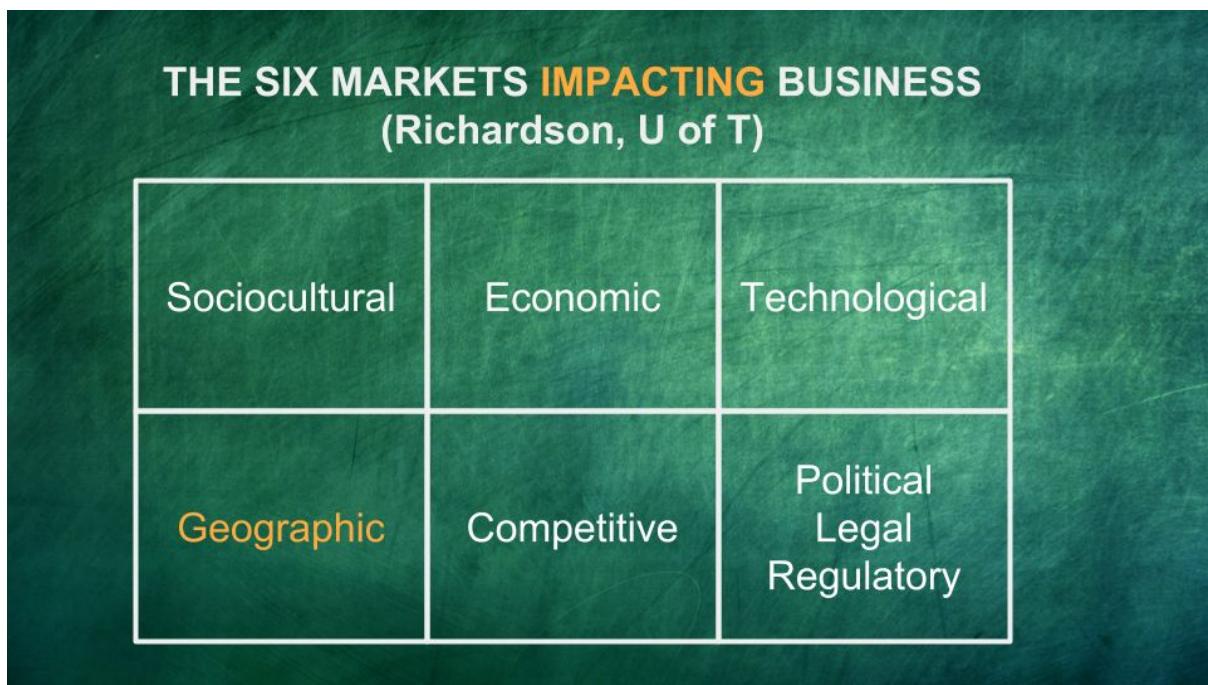
In the city's 97-page pitch, the main value of Toronto as Amazon's #HQ2 is the megacity's talent. As a Headhunter, I can tell you that Toronto's talent engine is vastly superior to every city in North America. US IT Giants have been building businesses using our hungry co-op talent for decades now.

However, the true value that Toronto had to offer Amazon was completely missed in the 97-page pitch. Why? The Geographic Environment is always ignored by people in tech.

Lesson Description

When we look at the Geographic Environment, we're looking at geography, topography, climate, and natural resources.

In this section of the course we will discuss how the geography of the planet has a big effect on international business. It is also very important for you to develop some personal knowledge of one or two regions of the planet that includes related several countries. In addition, you should develop a good sense of the world map and be able to quickly know the relationships of various countries to each other in terms of location, size, population and language.



Learning Objectives

The objectives for this unit are to help the reader understand:

- The role played by the Geographic Environment in business
- That role that the Geographic Environment plays in influencing the other Environments
- That being aware of changes in the Geographic Environment can help one do business effectively

When the reader has completed this unit it would be expected that they could read information about a marketing, business or international business situation and analyze this in terms of what Environments are involved and how they exerted influence - in particular, the Geographic Environment.

The Power of the Geographic Environment



“The natural formation of the country is the soldier’s best ally” - Sun Tzu

When we look at the Geographic Environment, we're looking at geography, topography, climate, and natural resources.

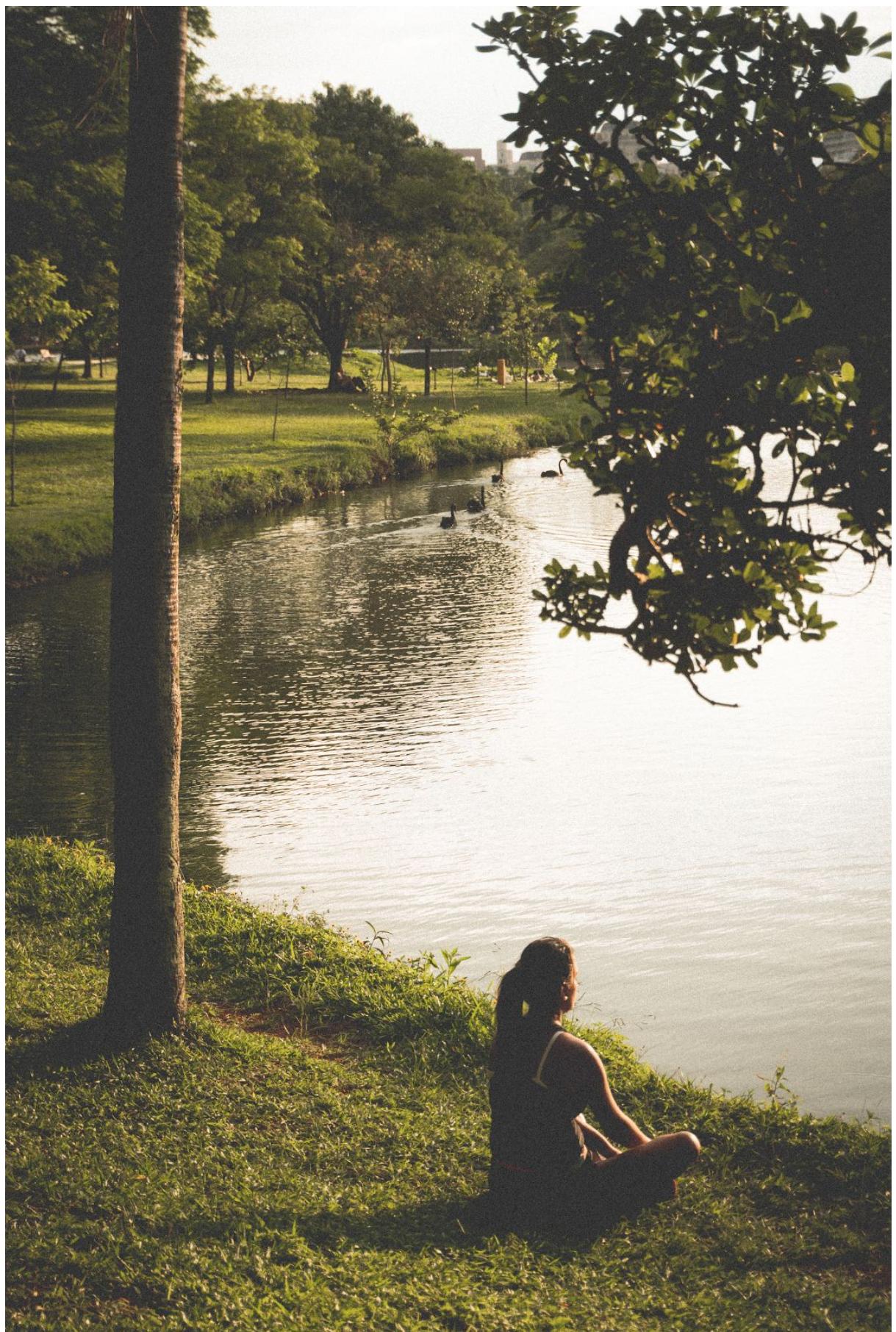
Typically, the Geographic Environment is completely ignored by software companies. They figure that as long as the electricity works, the internet will work, which means their product will work, regardless of the geography, topography, climate, and natural resources. This simply isn't the case.

The Robot Hiccups

For example, MIT's beautifully-designed social robot, JIBO, was hampered by communication delays between its servers in the US and their customers in Europe.

4 years that I wait after your jibo and still nothing received, I can not even connect to jibo account, my google home will surely best all the way. give me back my money... ([Source](#))

JIBO's robot couldn't receive, communicate, and respond fast enough for Europe and Asia.



The Geographic Environment in ACTION



In Toronto's 97-page pitch for Amazon #HQ2, they spent pages and pages on Toronto's talent. As a Headhunter, I was happy to see them put Toronto's talent on the map.

However, the true value of Toronto as Amazon's second HQ was completely missed.

Geographic Environment U Technological Environment

As train travel becomes increasingly faster, the geographic distance between Waterloo, Ottawa, Montreal and Toronto becomes increasingly negligible. Whether it's the Maglev or the Hyperloop, the improvement of train technology will convert Toronto's talent pool into Eastern Canada's talent pool.

So why didn't the Toronto pitch include the fact that:

- Google, Samsung, Facebook, AND Microsoft have already invested millions in developing and hiring Artificial Intelligence Engineers in Montreal?
- Ubisoft, the fourth largest video game manufacturer in North America, is investing \$330 million in Montreal?
- GOOGLE has THIRTY COLOCATION DATA CENTRES powering their emerging cash cow, Google Cloud Platform (Toronto has 42, Vancouver has 21), in Montreal???

Alas, Geography is always ignored by people in tech.

