

DEMOGRAPHY MEETS STRATEGIC PLANNING

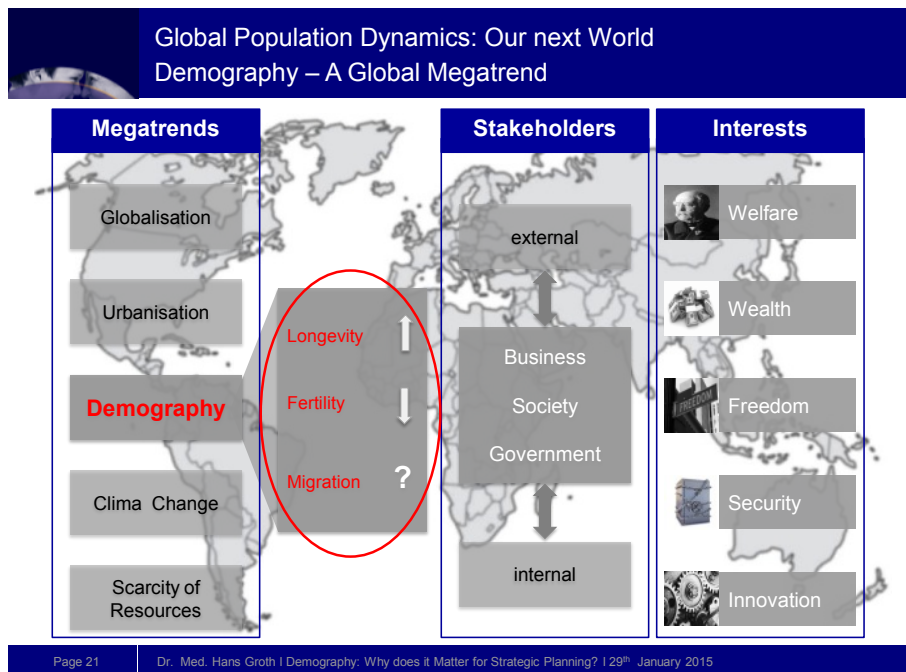
A workshop on the Megatrend of „Global Demographic Change“ and its interfaces with strategic planning in business, society and governance

University of St. Gallen, January 29, 2015

Introduction

The coming decades will expose us to demographic dynamics that have never been seen before in our history. This forces us to focus on the future, a period of time which we are not generally accustomed to reflect upon. This is why the megatrend of demographic change is so intimidating and makes it all the more crucial to be permanently prepared for innovation and creativity as well as openness for change.

It is not possible to precisely forecast population dynamics - the outcome of permanently ongoing change in longevity, fertility and migration. But it is possible to prepare for demographic change through appropriate education and acquisition of knowledge. It is important to understand that demographic research is about scenarios. These assumptions or models never tell the full truth. However, they can be helpful to prepare for the future through assumptions of demography-related figures, interdependences as well as causal relationships.



If these analyses are conducted with professionalism, solid knowledge as well as creativity, the insights gained can help turn the megatrend “global demographic change” from a threat into an opportunity.

The role of strategic planning

The Greek philosopher Pericles once said quite correctly: „We cannot predict the future but we can prepare for it“.

To help organizations prepare for the future, strategic planning focuses on understanding and challenging their assumptions, options and choices. Once companies recognize that such exercises matter for performance, they are willing to invest and spend resources. Demographic change - besides other megatrends – becomes a key element of strategic planning once it is recognized as critical for business profitability, competitiveness and sustainability.

The rationale for a demographic risk indicator

From the perspective of a company, any potential demographic risk indicator (it might also be called demographic “climate” indicator”) has to focus either on internal or external company challenges. It appears that companies have limited demand for inbound-directed indicators. Such benchmarks would cover changing workforce profiles in terms of quality and quantity (workforce capacity/productivity and management) and companies hesitate to share this information publicly for numerous reasons.

Instead, companies seem to prefer a more outward-looking indicator which ranks a given company or industry in terms of its readiness to successfully tackle market opportunities linked to the megatrend “demographic change”. Should this option be further explored, it might be worth consulting and potentially partnering up with an already established index provider.

In addition, there is a need for case studies of companies who already take commercial advantage of this megatrend. This should also include new and disruptive business models.

The combination of case studies and an outbound-directed demographic risk indicator has the potential to become a real novelty for strategic planners.

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