

# Strategic Management - The Competitive Edge

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Module No. # 03

Lecture No. # 10

## Environmental Scanning and Industry Analysis

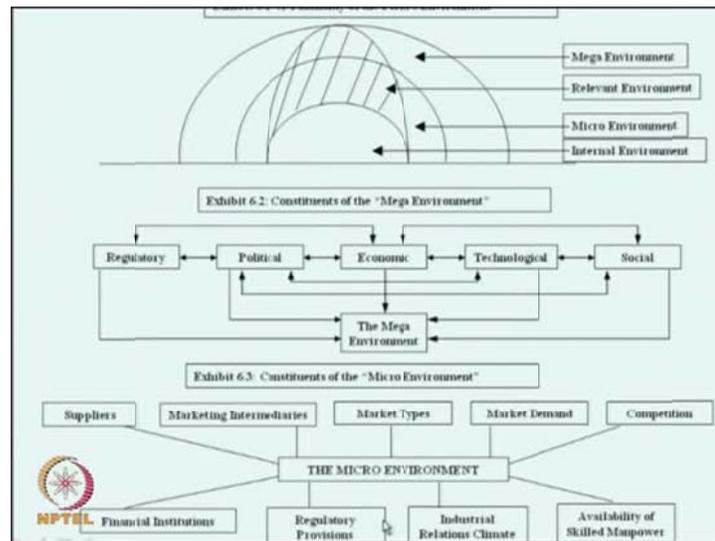
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Environmental analysis	Environmental Threat: Challenge by unfavorable trend
Environmental opportunity	Attractive arena for Company's action where it would enjoy a competitive advantage
Environment: Taxonomy	<ul style="list-style-type: none"><li>- Mega environment</li><li>- Micro environment</li><li>- Relevant environment</li></ul>
Mega environment:	<ul style="list-style-type: none"><li>Technological advances</li><li>- Transportation Capability</li><li>- Mastery over energy</li><li>- Ability to extend and control life and serviceability</li><li>- Ability to alter characteristic of materials</li><li>- Extension of Man's sensory capabilities</li><li>- Growing mechanisation of physical activities</li><li>- Growing mechanisation of intellectual processes</li></ul>



In the last class, I gave you a brief on the taxonomy of the environment for a firm. What does it really consist of? You have the taxonomy of the environment made up of the internal environment; then the micro, mega, and the relevant environment.

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Then, I also gave you some examples with respect to mega environment. What do we understand by the term mega environment? What are the types of technological advances a country can have? I explained all these things through different figures, one exhibiting the taxonomy of the firm's environment starting from the internal going up to the mega environment; then explained to you, what are the constituents of the mega environment?

So, the mega environment has the constituents of economic, technological, social, political, and regulatory these are the constituents of the mega environment. On the micro environment, we have the market on the top: that is the suppliers, marketing intermediaries, market types, market demand competition; at the bottom: we have the institutions and other provisions connected with this micro environment. It can be financial institutions or it can be the availability of skilled man power or it can be the industrial relations climate or it can be the regulatory provisions; this is what I brought you up with (Refer Slide Time: 02:49).

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Some Important Variable in Societal Environment			
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Money Supply	Focus of technological efforts	Tax laws	Consumer activism
Inflation rates	Patent protection	Special incentives	Rate of family formation
Unemployment levels	New Products	Foreign Trade Regulations	Growth rate of population
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Energy availability and cost		Stability of Government	Life expectancies
Disposable and discretionary income			Birth rates

Now, I am going to present to you some important variables in the societal environment. This is basically, if you really see this is coming under the mega environment (Refer Slide Time: 03:00). If you go backwards, that is you are looking at the economic, technological, political, legal then socio-cultural variables; what are some of the important variables which make up this particular factor?

Now, I will just take you through each one of these things in some detail. Look at economic; the first variable we are looking at is the GDP trends. What are the GDP trends? It is Gross Domestic Product. Now, you might be just interested to know, why we are interested in knowing the gross domestic product. It tells, what is the economic strength of the country concerned, in terms of exports, imports, what is the strength of the country concern? How much?

Suppose a country is importing something, what is it that it is importing? Suppose it is exporting something, what is it that it is exporting? So, when you bring out the net of these exports and imports, if your exports are higher than imports you are like you are on the positive side.

So, your foreign exchange or your trade is in surplus with respect to that particular country; that is you are exporting more than the imports from that particular country; this is what of foreign trade is about. So, GDP trends help you to know the economic barometer of the country. It also helps you to know, how a country is varying with

respect to the different scenarios, whether it is the industry or whether it is agriculture or whether it is some other sector.

Suppose you put the sectors of the economy as primary sector, then the secondary sector and the tertiary sector; in the present circumstances the tertiary sector refers to the services sector of the economy. So in a country like India, what is happening? The tertiary sector is raising an importance, so you have a situation where the tertiary sector is contributing to more than 50 percent of the GDP.

In a country like United States if you see, it is more than 70 percent. So, when we make a small comparison between India and the United States, we feel that India is also moving up the ladder with respect to services to somewhere around 54 percent last year, towards the contribution to GDP. So you have all these ITES services the hotel and restaurant services, that is the travel and tourism all these things coming under services.

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The majority or the major chunk of these services is being contributed by IT enabled services. So, this is something on the GDP trends. The second one is the interest rates, what do you understand by the interest rates?

Suppose, an economy is doing very well, then what should be the interest rates? Should it be very high? Or should it be very low? How do you really view it? If you really look at it, suppose the economy is doing very well and the government is having lot of money

with it. Then what is your simple thinking, the government does not have to mop up savings from the market; that is the domestic market, whether it is the consumer market or whether it is some other type of market.

Suppose its saving is not that high, let us say the government wants to mop up the savings. Then what is going to happen? It is likely that with the interest, so it wants to get money from the consumer that is the customers.

What does all this mean? The consumers, customers that is the people at large; if you say, it wants to raise the deposits from the people at large. So, how does it raise the deposits from the people at large? Through the different institutional mechanisms - it can be banking or it can be bonds whatever. So, all these things, suppose it wants to raise this; so it will tell that, suppose you invest in this government bond or in this other types of bonds we are going to pay you a higher rate of interest than the bank rate of interest and these bonds will become repayable after 3 years or 5 years.

The interest rates, normal interests rates of the bank if you see in a developed country the interest rates are quite low. So, you may be compare to a country like India, you will find that the interests rates in a developed country is on the lower side; that is the deposit may not fetch the same type of interest, as it would fetch in the banking industry here.

Now, the next question is where does it fetch more money in the developed country? So, they believe in putting the money in the stocks, that is equity. Suppose you trade and some of the stocks might be traded high, then your value goes up; suppose it is low it goes down.

So, these concepts are also coming to India as well. Now, money supply - this is the next one, suppose the money supply is very high; that is you are pumping money into the economy, what is going to happen? It is contributing to inflation in the economy. What do you mean by it? It is contributing to inflation in the economy; you find too much of money is chasing too few goods.

So, that is likely to create a situation where the inflation is likely to go up, and then it is possible that the essential commodities may become costlier. This is a type of situation that you are trying to see even now today in India. You find some of the essential commodities or the prices have really sky rocketed; whether you consider sugar, whether

you consider pulses, you find that it was very few months back, the prices of these commodities has gone up. Sometimes, even jumped up to close to 100 percent, which is very hard on the consumer.

Then, what is going to happen? You are having a situation that the purchasing power of the consumer is reduced. So, that might have been contributed due to so many other policy decisions, which the government might have taken but, at the end of it all suppose if you want to tackle the situation by increased money supply; you are also contributing to inflation, kindly note that. This is what the next thing is, this is the inflation rates.

Then the unemployment levels, what do you mean by unemployment levels? Suppose a country does not have too much of unemployment or under employment. Then, what is it what can you infer? You can infer that, generally people are having a good standard of living. So, whether it is the skilled class or the unskilled class, they are able to get vocation according to what they are, what they possess; that is the type of skills they possess or the types of other avocations, they may be looking for.

Now, all these leads you to wage price controls. Sometimes, you may find that in the unorganized sector, you may be having a situation where a person may be working very hard but, he may not be compensated in the same way as a similar person in the organized sector. So, what does the government do? The government comes into the picture by trying to control these types of wages in the unorganized sector by saying ok; if the person is doing this type of work, he should be paid this minimum level of wages.

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The other thing which the economic indicator brings you is what is called devaluation or revaluation. What is devaluation? Sometimes, the pressure on the economy of a country may be very high. The country might be found wanting or defaulting in the payments to loans, which it has borrowed from world agencies may be the World Bank or the UN then, what do these bodies do? These bodies put pressure on the government; they say why don't you devalue the currency? So, if you really look at it, our country has also gone for this devaluation without telling that it is devaluation, but we have the countries monetary system has gone in for these types of adjustments.

Just to give you a very small comparison; in the early 80s, 1 dollar was equal to 9 rupees. Now, what is the present situation in 2010? 1 dollar that is the US dollar is almost nearing the 50 rupees mark, so you are having an equation were you have jumped up more than 500 times; that is 1 US dollar is nearly coming to rupees 50. So if you really look, go a little backwards that is the early 70s 1 dollar in the early 70s was less than rupees 5, became rupees 5 towards the mid 70s and started slightly increasing towards the late 70s.

So, an economy that is the Indian economy which has more or less on nearly on par in with the US dollar rates in the early 70s finds itself in a situation today, where 1 US dollar is equal to nearly 46 rupees or 47 rupees. This is the type of situation that you find;

this is the example of this devaluation. Now, the next one is energy availability in past, I have dealt with this in quite detail in the earlier classes also.

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The advances that a country makes especially with respect to the mega environment are understood by the way energy is made available to the industry at large. Not only energy must be made available, it should be made available in such a way, that there is no voltage fluctuation or frequency fluctuations.

So this is the type of situation, which tells whether a country has really advanced. Just to give a very simple example, most of the developed countries. If you go there, you do not have the concept of the voltage stabilizer for many of the equipments or the consumer durables that you are normally used to.

Whether it is a TV or a fridge or a washing machine things like that. So, in a country like India, whether you have a very good fridge also still you go in for a voltage stabilizer. You are very concerned that your fridge might really bugger, when the voltage starts increasing all of a sudden or there is a surge.

So, you are not very confident of getting a hold, a power supply, which is free from fluctuations in voltage or free from frequency fluctuations. This is the reason why this stabilizer or to stabilize this voltage comes in, so whether it is boosting or whether it has to be bucked or boosted or whatever, the stabilizers job is to do that. So, but at the same

time, it also tells you the country has to go a long way with respect to this energy availability and cost.

If you look at India itself, most of the states suffer from power shortages; whether it is the agriculture sector or whether it is the industry sector; take the state of Karnataka. If you really see the state of affairs in Karnataka, you find there is a lot of agitation from the farmers. Why the farmers are agitating? The farmers are agitating because they are not getting 3 phase power to operate their agricultural pump sets.

When the power comes, the power is at such a low voltage. The pumps do not get energized, that is they are not able to operate the pumps. So, they want the government to ensure that, at least they are able to operate their pumps for 4 hours in a day; so that the fields can be supplied with water.

This is one part of the situation and the second part of the situation is where does the industry find itself? The industry scenario in the state is also not very easy. There are lots of unscheduled power cuts, this unscheduled power cuts have resulted in for many industries, which are not having backup power; their production getting affected.

So, these are the types of problems that you are likely to face with respect to any state. I just took the example of Karnataka; it is there prevalent in many other states of the country also. What do the states do? They try to tide over this problem by taking power from the neighboring states or trying to purchase power like the state of Karnataka is trying to do now; it is trying to purchase additional power to tide over this problem.

Then the last economic indicator that is the important variable in the economic indicator is the disposable and discretionary income, what does that mean? That is how much of money is available with an individual to buy certain things other than the necessary once; that is you have taken care of your essential commodities, you have taken care of the commodities it contribute to your normal living.

Now, what is the amount of income that you are left with? With which you can use for other purposes, what is the disposable income? So, suppose you have to give a very simple and a very crude example.

I am giving you a very simple example. Let us say, a person gets rupees 100 and he gives rupees 100 to his wife saying, this is the earnings for the day. Now, from the earnings for the day, so many things have to be met. Now, what does the wife do? Let us say, the wife says that, look I am giving you 80 rupees, the remaining 20 rupees I am keeping it in the house to use it for my discretionary purpose; that is some things which I have not anticipated but, I will use it using my own discretion.

Now, in this 80 rupees, you bring these things 1, 2, 3, 4, 5, 6, 7, 8, 9, 10. Now, these 10 things after you bring from this 80 rupees, let us say you are left with 5 rupees. That is, there is an excess of 5 rupees, then this 5 rupees contributes for you the disposable income. From that 5 rupees, you can do whatever you want; that is the person can do whatever he want; whether he wants to have a smoke or a cigar, if he is a smoker or if he wants to have a small drink, if he is drinker or if he wants to go for a cinema, all those things come under that type of disposable income, so this is the type of income.

So, this is the simple way of putting things but, all these things are applicable in a larger contest to countries also. How much one country can afford to give as aid to other country? Of course, these decisions are taken at the government levels. Now, let us look at the technological variables. What are the types of technological variables which you can have? The first one is what is called the total government spending for R and D.

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If you look at our country only, there are many times, statements which are coming from the government saying that, the government puts lot of emphasis on R and D. Now, a question might just come to you. What should be spent on R and D in a country? That is a typical R and D that is why do you want to spend on R and D? This is the first question one might ask, you might answer this question by saying that, you should invest in R and D to come out with new products, new applications.

The question is why you should come out with new products or new applications? This is for improving the standard of living. This improving the standard of living from the country side - contributes to total government spending on R and D, from the industry side - contributes to new products. So, what should be the type of spend that you should have? In our country, we find that the spend on R and D by the government is less than 1 percent of the GDP whereas, in a country like the United States you find that it is nearly 6 percent of the GDP, which is very high.

This also tells you, what the strength or the power which a country tries to wheeled over other countries. So, nearly you are really seeing nearly 5 to 6 times with the reference to percentages but, the actual amount will be far far high, when you look at the GDP of India versus the GDP of the United States. Just few days back, there was an item in the newspaper saying that, the state of California in the United States its GDP is more than the GDP of most of the countries in the world except 6.

So, one state in the United States that GDP itself is so high, you can just get an idea. Now, this is the first fact: the variable that is the total government spending for R and D, the second one is the total industry spending for R and D. You can look at the type of industry you want to consider, whether it is a pharmaceutical industry or whether it is some other type of industry.

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Then the third one is the focus of technological efforts. What do you mean by the focus of technological efforts? Where is the type of technological efforts going? So, if you look at the Indian context, so if you look at what is the type of technological efforts that have gone in?

There is a tremendous amount of effort that has got invested in the telecom sector in the country. The telecom sector in the country has really gained or has grown by leaps and bounds in the country and you are seeing if you just go backwards to the 80s in the country, you have to wait for a telephone connection for 3 to 4 years. What is the present scenario? The present scenario is your connection is available to you off the shelf, unbelievable. So, this is the type of advance that has taken place on the technological side.

Similarly, we have gone on the mission mode with respect to many of the other types of developments also like the dairy production; that is the types of milk production brought out in the country, in the form of this white revolution all those types of things.

The next one, where the government is investing lot of effort is in patent protection. So, we found that many of the things which we took as for granted, that is some of this herbal medicines; the government to its shock found that, they are getting patented from outside the country especially from the west. So, some of these herbs are actually once which are available in India, the government said ok, we have to protect our own

products, our own innovations. Let us come out with protection laws, the laws for patent protection, so we have to do this. So, the government is putting efforts sorry, investing efforts in that direction.

Similarly, what could be the next one? That is the new products. The most important thing in a market driven economy is you should always come out with new products and you should always phase out the old products. This is what the market economy always tells you, the market economy tells you that come on you should be willing to phase out the old products come with new products. In other words, you start synchronizing yourself with the changing environment, do not start thinking that the environment is changing I am not able to change, so I will stay put where I am.

What is the famous thing? So, if you really look at it, you had this dinosaur. So, when the environment started changing, the dinosaur did not want to change; so what is the position? The position is dinosaur is in the museum. What happened to man, the human being? Human being said I am willing to change, what is the position now? You find that, human being rules the world. So, this is the way even in with respect to new products also.

The new products, if a company is able to come out with new products, it is very possible that it will be leading in a market or it will be able to have an edge in the market or preserve its leadership position.

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Next one, which is taking an important variable, is new developments in technologies transfer from lab to market place. What is this? This is again something connected with R and D. I will give you a very simple example. So, in the late 80s you had this mopeds. These mopeds had a pedal start; that is the person had to pedal, to start these mopeds.

Now, one of the well known companies in India which is producing this mopeds, they wanted to get a feedback on the type of products that is put out in a market. So, what is the type of consumer feedback, raw feedback which they got from the market? That is he does not know the technical language, the consumer does not know the technical language but, the company wanted to know from him that, I have introduced this new product into the market, tell me how this product is performing.

So, in a typical city like Bangalore, the type of feedback that this company got, this well known moped company got, was that; look I am not able to cross the signal by the time, I pedal and start the vehicle, the signal would have become red again, in a typical traffic junction. This is the type of feedback, which the consumer gave to the company. What does it mean? This feedback which is in a very raw form had to be converted by the R and D people, so this is the market feedback.

The market feedback was taking lot of time to start the vehicle, lot of time in inverted commas compared to the signal timings. In other words, the vehicle should be not switched off in the signal; it should always be in the start position only. Now the

company tries to address this problem, they said ok. What is the type of changes the company came up with? So, it started working on this problem in its R and D.

So, from the pedal start it came to kick start, kick start improved the situation further compared to the pedal but, again the consumer had the same types of problems. That is he said even though many times he is doing this kick start, the vehicle is not starting properly. So, then they said, there is something some problem with the tuning. This is because of the mechanical tuning system that the vehicle is **INF** so why not we change over to electronic unit.

Now, this is the type of situation that you have in the present product of this company. You have what do you call the self start or the electronic start where you press a button and the vehicle starts and you also have the kick start with you. Suppose in case, electronic start is not working or the self start is not working, you can get back to the pedal and start the vehicle.

So, this is the type of thing which has coming. What is all this called? This is the improvement that has taken place or the developments that has taken place on the technology front and this has been possible due to the feedback that the company has obtained from the market on the product that it has put out. This is called Quality Function Deployment or QFD in short. So, this QFD has given a wonderful platform for the company to inculcate new developments in technology and has been able to bring out new attributes into its products.

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So, that has also increased the productivity and it has also contributed to automation which is the next important variable in this technological factor. Now, come to political-legal factors. What are the variables? One is the antitrust regulations. What do you mean by antitrust regulations? Why should you have antitrust regulations?

These are required to protect your own companies from getting exploited. Suppose, what is the type of situation that you had very recently in our country? You used to find that in our country, there were number of products which were getting dumped from other countries especially from our neighboring country.

So, even a small cell which would cost normally about 8 rupees this neighboring country was putting out that cell at 2 rupees, which you use for your transistor things like that, all those types of things. Now, what is the typical consumer behavior? The question is why I should pay 8 rupees for this cell of a standard company x when I am able to get the same cell at one fourth of price. The shopkeeper who was selling the cell for you, he would give you a warning.

What is the type of warning? He says you should not hold me responsible if something happens to the equipment in which this cell is used, so do not hold me responsible. In other words, he was not very sure of the quality of the product; that is the cell in this particular instant case.

In order to protect the domestic industry or the industry at large, government has to come out with some antitrust legislation or anti dumping regulations. Where you just say that, this is not allowed, this is the type, suppose you want to put something into the market then, this is going to be tax like this. So, to protect these local industries or the existing players sometimes, the government comes in with these types of regulations.

The second one is the environmental protection laws. See many countries especially the developed countries are very stringent on this environment protection. Suppose you are going to some of these countries, you cannot take some of the food items also into these countries. They think that their environment is going to be affected, if you take some items say like rice from India to that country.

They say our environment is going to be affected; you should not bring rice into our country. So, you may just wonder, how the environment of this country is getting affected, if I bring rice. After all I am cooking rice for my consumption, this is the layman's thinking, but government of that particular country thinks that these are contributing to environmental degradation. This is the way a developed country finds itself or tries to protect its environment through the enactment of the environmental protection laws.

Similarly, the tax laws also. Why you find that income which is obtained by an individual as long as it is declared, it has to be taxed at a particular rate. Suppose you are coming from the salaried class, your salaried class has to be taxed in this particular manner. This is the direct taxes. So, indirect taxes or corporate taxes or industry taxes depending on whatever it is, the government always comes out with certain norms. Suppose you look at the individual tax level in India it is 30 percent.

So, one of the types of demands that is being made on the government is to reduce this tax level; that is bring it down to 20 percent but, the government is saying even in developed countries, the tax level, the individual tax level still stays put at 30 percent.

There is nothing wrong in keeping it at 30 percent or there is nothing which government is doing against the interests of the citizen by charging at 30 percent. In other words, the government has its own tax provisions to mop up revenues.

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Energy availability and cost		Stability of Government	Life expectancies
Disposable and discretionary income			Birth rates

Similarly, the foreign trade daily regulations, the government comes up with foreign trades saying that, trade is allowed in these types of categories of commodities but, with respect to some categories like say defense the government wants to go slow. It does not allow foreign trade so easily with respect to defense equipments for its own reasons. Then the attitude towards foreign companies that is a company wants to establish its own industry in a particular country.

What is the attitude of that country? If you really look at India right now, in the present day LPG era, any foreign company is in fact welcome to have its business in the country. In other words, this foreign companies are having a scenario where they can many times feared that they may overtake the local companies only; that is they may ride over those companies only because of the tremendous amount of resources that they have, but these are some of the LPG era which you have to put up with, this is what I was trying to tell you.

Then laws on hiring and promotion, again back to the LPG era. Many of the multinational companies are pressurizing the government that, they must be free to hire people and free to sack people also but the government is saying no - this free hiring, this free sacking or firing is not encouraged; that is there (O) whereas, the MNCs are quoting the developed countries when they say, when we do not have work how can these people be paid. The government is saying, find out methods by which the labour can be used or

you do not take too much in excess, hire the too much in excess. Then the stability of the government with all its pluses and minuses, it is more or less now accepted a democratic form of government is a good government for a country to have. So, our country is also having the democratic form of government.

Now, come to the socio-cultural variables in the environment, one is the life style changes. So, if you really see with respect to our country, the life styles have changed dramatically over the last 15 years. So, you have a class, thanks to this IT; that you have a class which is very rich compare to other classes. This class which is very rich has affected the living standards of the other classes; it has also impinged on the cultural values, many times you find people complaining that these IT people have destroyed our values. Why?

These are values which we prided ourselves for the last 6000 years, we find that these are being destroyed or eroded in the last 10 to 15 years; that is the type of complaint which the lifestyle changes, how it has contributed. Now, the career expectations if you really look at it then, what is happening in our country? The same LPG example, the era example you find that lot of opportunities are created. So, you have a situation where it is not only the male member, who is to going for work, you find a large female force is also working.

So, earlier thinking that it is work is the prerogative of the male member and maintaining the family's prerogative of the female member has undergone a tremendous change even in our own country.

Similarly, consumer activism - what does that mean? It means that products cannot be sold to consumers without specifying many of the components which are going into that. Suppose even in our own country, you have to - suppose it is a pharmaceutical product or any other even any other consumer products - you have to give the date of manufacture and you have to give the date of expiry, what are the types of ingredients which has gone into this; all these is required to be provided by law by the manufacturer.

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Some Important Variable in Societal Environment			
Economic	Technological	Political-Legal	Socio-Cultural
GDP Trends	Total Government spending for R&D	Antitrust regulations	Lifestyle Change
Interest rates	Total Industry spending for R&D	Environmental protection laws	Career Expectations
Money Supply	Focus of technological efforts	Tax laws	Consumer activism
Inflation rates	Patent protection	Special incentives	Rate of family formation
Unemployment levels	New Products	Foreign Trade Regulations	Growth rate of population
Wage price controls	New developments in technology (transfer from lab to marketplace)	Attitude towards foreign companies	Age distribution of population
Devaluation/Revaluation	Productivity improvements-automation	Laws on hiring and promotion	Regional shifts in population
Energy availability		Stability of Government	Life expectancies
Disposable and discretionary income			Birth rates

This is the type of change, which has come about then, the rate of family formation. So, what has this industrialization or LPG era? What has happened? If you really see, you find that, in the earlier cases the age of marriage was relatively less; that is you found that the girl was getting married less than 20 years of age.

You find that it has shifted, that is you find that the girl marriageable age got shifted to on the upwards of 20. So, what is going to happen? You find that, what do you call the children or the family formation gets shifted by that level, so this is the type of thing and what is going to happen in that?

The growth rate of the population also comes down by that particular percentage. So, earlier if you had a certain percentage, you find that because of so many of these types of changes that have come in, you find that one section of the family formation which is engaged perhaps in these types of LPG era activities. You may find that the family formation, the rate is it has shifted up and the growth rate of population has also come down; so this is the type of thing which you might see.

Now, what is going to happen? It will impinge on the age of population; this is one of the things, which you might have seen that if you read this book *Imagining India* by Nandan. What is the strength of India? He says that, the strength of India is likely to be its youth population, the youth power. So, you are like, this is the power which this country can wheeled over other countries of the globe, where the age distribution is on the higher

side, again all these family formation, growth rate of population, having their effect. So, for the time being, we are a little positive on this particular side, which can be used to the advantage of the country.

Then, what is this regional shift in population? You have some areas growing more than what you call the standard rates in the country, some areas not growing that is the type of population shifts, which you are seeing. Suppose, you look at a city like Bangalore, the type of population explosion that is taking place in Bangalore is unimaginable. The result is you have lot of added problem, infrastructure problems coming in due to this; so these are types of changes that you have on the socio-cultural front and it is affecting the culture also of the regions.

Now, the life expectancies or the live expectancies if you really look at it, due to the advanced medical care that is available or the improved medical care that is available you find that the life expectancy has really increased. You find that, the person in India is living to a fairly advanced age compared to the time of independence. Similarly, compared to the time of independence, the infant mortality is right now very low. Suppose, there is a delivery, there is no need to think that delivery is very difficult process to accomplish; no, a delivery can be accomplished fairly safely and your child can also be fairly safe. Thanks to the types of improved health care that has taken place in the country, all these are a socio-cultural variable that is going from the life styles down to the birth rates.

I have given you in a glimpse, what are all the important variables under these 4 factors in a mega environment, which I have listed as societal environment whether it is the economic environment, or whether it is a technological environment or whether it is a political legal environment or the socio cultural environment. We will take up the next portions in the next class.