

Board Leadership Program: Orientation to NFP Boards

Megatrends and Strategy

Purpose of the Activity:

Often we are too inwardly focussed. In the past, this has particularly been a criticism of not-for-profit boards. As directors and potential directors, it is important to be able to look outside the organisation at what is happening in the world and to consider how trends in the external environment can impact them.

A megatrend is a collection of trends and patterns of economic, social or environmental activity that will change the way people live and the products and services they demand.

CSIRO identifies six mega-trends that are commonly impacting the NFP sector – indeed all businesses:

1. **More from less.** The earth has limited supplies of natural mineral, energy, water and food resources essential for human survival and maintaining lifestyles.
2. **Going, going ... gone?** Many of the world's natural habitats, plant species and animal species are in decline or at risk of extinction.
3. **The silk highway.** Coming decades will see the world economy shift from west to east and north to south.
4. **Forever young.** The ageing population is an asset. Australia and many other countries that make up the Organisation for Economic Cooperation and Development (OECD) have an ageing population.
5. **Virtually here.** This megatrend explores what might happen in a world of increased connectivity where individuals, communities, governments and businesses are immersed into the virtual world to a much greater extent than ever before.
6. **Great expectations.** This is a consumer, societal, demographic and cultural megatrend. It explores the rising demand for experiences over products and the rising importance of social relationships.

For more information: www.csiro.au/Portals/Partner/Futures/Our-Future-World-report.aspx

Activity (20mins):

Each table group is to elect one of their organisations represented at each table.

Discuss how that organisation could adapt to the changing environment as a result of mega trends (consider the impact of up to three).

- What opportunities could each trend present?
- What risks could be on the organisations horizon as a result of the trend? What strategies could be implemented to counter the risks?
- How can the board keep abreast of changes in the external environment and possible impacts on the organisation?

Table Groups Report Back (10mins)