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Reliable Green

Compendium for SMEs



Module 1: Mega Trends Facing SMEs

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In this module, you will learn...



Image Source: Pixabay (2016), Pexels

By the end of this module, you will:

- ✓ Understand what Mega Trends are
- ✓ Understand how the trends affect your business
- ✓ Have the knowledge on how to identify the Mega Trends
- ✓ Be able to implement a strategy to capitalise the impact of the Mega Trends



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Introduction



Image Source: 愚木混株 cdd20 (2019), Unsplash



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What are Mega Trends?

- Mega trends are large-scale, long-term forces that have a significant impact on societies, economies, industries, and individuals.
- These trends are **transformative** and often shape the way we live, work, and do business.
- They are typically driven by global developments and can span various areas, such as technology, demography, environmental changes, cultural shifts, and economic factors.



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What are Mega Trends?

Watch this short video from PwC to understand what mega trends are and how they impact SMEs...



Video source: "Megatrends – What is a megatrend and why do they matter?" by PwC, <https://www.youtube.com/watch?v=foP3nZRM6GU>



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*"A decade ago, many people thought there was time to address the Megatrends in a leisurely way. But it has become obvious that is far from true. **The Megatrends are coming at the world like a freight train**, and they are creating more numerous and more acute crises, year after year. There's **unlimited potential if humanity comes together to address the Megatrends, but we must act now.**"*

- For SMEs, mega trends can have both challenges and opportunities. While some of the mega trends create new market opportunities while others can impact the products and services that SMEs offer.
- Understanding and responding to mega trends are crucial for SMEs to remain resilient and successful in an ever-changing business environment.
- By recognising the opportunities and challenges these trends present, SMEs can position themselves for sustainable growth and long-term success.

Source: PwC (2023), found here:
<https://www.pwc.com/gx/en/issues/megatrends.html>



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What are the mega trends?

C₃ O₁ N₁ S₁ U₁ M₃ E₁

L₁ E₁ S₁ S₁

S₁ H₄ A₁ R₁ E₁

B₃ E₁ T₁ T₁ E₁ R₁

Image Source: Edward Howell (2020), Unsplash

- There are many different mega trends that have been identified by financial analysts and experts that are expected to have a dramatic impact on SMEs. These include:
 - Globalisation
 - Digitalisation
 - The Ageing Population
 - Climate Change and the Green Economy
 - Remote Working
 - Artificial Intelligence



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How Mega Trends Impact Remote Working

Ageing Workforce

- Technological Adaption
- Health Considerations

Digitalisation

- Remote Collaboration
- Flexibility and Productivity
- Cybersecurity

Globalisation

- Diverse Remote Teams
- Time Zone Challenges

The Green Economy

- Reduced Carbon Footprint
- Emphasis on Sustainable Practices

- SMEs are now navigating new challenges and opportunities in the post-Covid world, as they strive to remain sustainable and competitive in this ever-evolving environment.
- The prominence of mega trends has transformed the business landscape significantly. For SMEs operating remotely in the green economy, adaptation is essential to navigate these challenges and seize the opportunities they present.
- By embracing digital technologies, fostering talent management strategies, complying with environmental regulations, and promoting eco-innovation, remote SMEs can thrive in the face of these mega trends, contributing to a more sustainable and environmentally conscious future.

An example of some of the ways that these mega trends could have an impact on SMEs



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Climate Change and the Green Economy

Climate change is increasingly impacting all aspects of our lives, and the massive efforts that humanity needs to undertake to mitigate and adapt to climate change.

Implications for SMEs:

- Failure to adapt and reconfigure their businesses could lead to business closures
- Organisations may face challenges related to resource insecurity, scarcity, and higher costs
- Supply chains may experience disruptions due to climate-related impacts
- Investments in climate tech can create new job opportunities



Mega Trend #2 – The Ageing Population

- The ageing population refers to a demographic trend characterised by a rising proportion of elderly individuals within a country or a specific population group. This trend occurs when the average age of a population increases due to factors such as declining birth rates and improved healthcare leading to longer life expectancies.
- **Implications for SMEs:**
 - Changes in needs and consumption patterns, resulting in a slowdown for consumption-based sectors.
 - Challenges arising from a mismatch between available and required skills.
 - Conflicts within a multi-generational workforce due to differing views on work and the world.
 - Shortage of relevant skills in the workforce.

Image Source: Microsoft Creative Commons (n.d.)





Image Source: Microsoft Creative Commons (n.d.)

- The progress in communication, transportation, and technology has expeditiously increased the process of globalisation. These advancement have effectively shrunk our world, enabling customers to access a broader range of options from a global marketplace.
- **Implications for SMEs:**
 - National, European and multilateral laws and regulations are becoming more and more coordinated, requiring mandatory participation in global competition.
 - Increasing exports and more involvement of emerging nations in the world trade and economic growth.
 - Everything that can be automated is examined for feasibility and cost effectiveness.



- The rise of transformative technology is reshaping our world and human understanding, offering vast value creation possibilities but also posing challenging consequences.
- **Implications for SMEs:**
 - Opportunity for competitive differentiation through technological innovation
 - Risk of business failure without embracing digital transformation and accelerating execution speed, requiring substantial technology investments
 - Challenges in bridging the gap between required and available workforce skills



Image Source: Microsoft Creative Commons (n.d.)



How to Identify a Mega Trend

Anticipating future desires is key – consider how products like phones and watches evolved beyond their original functions.

Pay attention to emerging markets and the trends shaping them.

Analyse investment patterns, the sectors attracting investments, and the locations gaining attention.

To attract top talent, foster a culture that values trend spotting and welcomes adaptability, ensuring your business's long-term sustainability.

How to identify a Mega Trend according to SA Law (2023)



Scan here to learn more about how to identify the mega trends and how they affect your business!

- Business leaders often find themselves engrossed in day-to-day operations, neglecting the broader perspective of their business.
- It is crucial to step back and observe the world, assessing how the changing landscape might impact your business and its stakeholders.
- Stay closely connected to your customers, understanding their present needs while keeping in mind that innovation can reshape expectations.



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Conduct Analysis

Identify how demographic shifts, technological advancements, environmental changes, and other trends may influence your employees and operations.



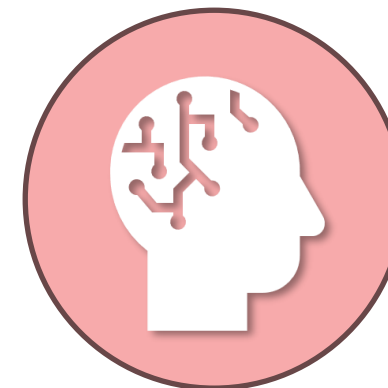
Engage with Employees

Involve your employees in the strategy development process – gather their insights, concerns, and ideas on how to address the potential challenges and opportunities.



Upskilling & Training

Invest in employee training and development to bridge the skills gap caused by changing technologies and market demands.



Future-Proofing

Review and adapt your business model to align with mega trends and changing market dynamics.



Agility & Flexibility

Build a culture of agility and adaptability to respond quickly to changing circumstances and seize opportunities presented by mega trends.

Click [here](#) to find out more about the considerations for SMEs for the Mega Trends



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1. The ageing population is a mega trend characterised by an increasing proportion of elderly individuals in society. SMEs can tap into this demographic shift by offering products and services tailored to the needs and preferences of older consumers.
2. Globalisation has presented vast international markets for SMEs, enabling them to reach customers worldwide. Remote operations allow SMEs to embrace global expansion without establishing physical offices in every country.
3. Digitalisation has revolutionised how businesses operate. For SMEs, embracing digital tools and technologies is essential for enhancing operational efficiency, enabling effective remote collaboration among teams, and engaging with customers through digital channels.
4. Climate change has become a pressing global concern, and consumers are increasingly demanding sustainable practices from businesses. Emphasising sustainability not only benefits the environment but also enhances brand reputation and attracts eco-conscious customers.
5. Building resilience and agility into the business model is essential to navigate unforeseen challenges. Embrace a flexible remote work culture, continuously monitor market trends, invest in employee upskilling, and remain open to adopting new technologies to stay ahead in an ever-changing business landscape.





You have now completed Module 1!

Don't forget to check out the other modules available.

Thank you!



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