

**International Journal of Management, Jun 2002 by Capps, Charles J III,  
Hazen, Samuel E**



Strategists derive further insights into the affect of trends and possible future scenarios when examining the components of the external environment using **von Bertalanffy's "General Systems Theory**

". There is a deeper understanding of the inter-relatedness of the influencing factors in the environment when applying systems theory to the strategic planning model. This approach produces a richer, and thus better, appreciation of the sub-systems that compose the larger synergistic general system that is our global total system. The addition of von Bertalanffy's systems theory perspective to the strategic scanning of the future to 2050 seems practical and wise.

*"Tomorrow always arrives; the wise seek knowledge to prepare!" - Anonymous*

Strategists perform environmental scanning by monitoring the globe for future opportunities and threats that will affect their organizations. The external environment is generally beyond the control of any organization and includes the following categories: the competition, the economy, social-cultural-demographic factors, political-legal-governmental aspects, technology, and the natural environment. Each of these categories is a sub-system of a larger system, when systems theory explains the strategic planning model. Therefore, this paper's thesis is that an understanding of general systems theory provides an enhanced appreciation of how each of these sub-systems interconnects and interacts. In addition, by using this conceptual approach, one may understand more deeply trends and the critical nature of the interplay between these various components.

"**Japan Inc.**" is now strategically planning for the year 2025. Chinese strategic planners are projecting 2150. Recently, the Central Intelligence Agency (CIA) uncharacteristically released an unclassified document entitled, *Global Trends 2015*, for rare public consumption (*Global Trends 2015*, published by the CIA, 2001).<sup>1</sup> Other respected sources, *Which World?: Scenarios for the 21st Century*, present similar trends and forecast through 2050 (*Which World?: Scenarios for the 21st Century*, published by California Institute of Technology, 2001).<sup>2</sup> Using the lens of systems theory, we may see how trends and likely scenarios of the future global environment between 2015 and 2050 are connected. According to systems theory, a sub-system or trend is conceptually not in isolation of the global total system.

One statement summarizes the CIA's *Global Trends 2015*: "Globalization will provide mankind with the unprecedented opportunity to improve the quality of human life across the planet; but progress will be hampered by economic volatility, by the political security implications of sharpening inequities in income, and by the growing threat from multiple, relatively small-scale programs of weapons of mass destruction [emphasizes added] (Gannon, 2000)."<sup>3</sup> Here, the sub-systems involved in the CIA's trend forecast include the economic sub-system, the political subsystem, and the affect of an underlying criminal/terrorist sub-system. The CIA's study makes four points:

1. First, a networked global economy [consisting of many interconnected sub-systems of various economies] will be a net contributor to increased political stability in the world [of many political sub-systems]. US national interests will increasingly be tied to our dependence on global networks [of the above connected sub-systems] that ensure the unrestricted flow of economic, political, and technical information, as well as people, goods, and capital.

2. Second, global change in the decades ahead will broaden our definition of "national security" and expand the US intelligence agenda in both the numbers and complexity of issues we cover. In 15 years, CIA will still be focused on the proliferation of weapons of mass destruction, terrorism, narcotics, and organized crime. But newer issues, such as information operations and threats to our space systems, will command a growing amount of our time [here the sub-system of concern is the world's criminal/terrorists].

3. Third, technology will challenge us in every area of the intelligence business to be smarter, more agile, more responsive to the policymakers we serve, and more collaborative with experts, wherever they may be found - in academia, the private sector, and non-governmental organizations (NGOs) [many of the world's subsystems necessarily come into play when the

effects of rapidly changing technology are examined and projected into the future.]

4. Fourth, the intelligence business is fundamentally about skills and expertise, and this means people - people in whom we will need to invest more to deal with the array of complex challenges we face over the next generation [above explanations added] (Gannon, 2000).<sup>4</sup>

Additionally, the CIA presents seven trends:

1. The first driver is global population trends. Despite substantial drops in fertility in some countries, the momentum of the existing population translates into an increase in the world's population from 6 billion to around 7.2 billion by 2015. Ninety-five percent of this growth will be in developing countries. But population patterns will vary markedly in different regions of the world.

2. [A] second global trend, the demand for food, water, and energy will increase over the next 15 years, while the uneven distribution of natural resources will persist in many developing countries. The good news is that world food stocks are projected to be sufficient to meet overall global needs by 2015.

3. [T]he third major driver [is] economic growth. We expect world per capita income to increase at an average annual rate of at least 2 percent between now and 2015, but rising tides will not lift all boats. Not every state will benefit equally, nor will every group within every state. Divisions between "haves" and "have-nots" will have political implications.. Volatility will be a major downside of global economic integration. All states will become more vulnerable to shocks and disruptions.

4. The fourth global trend is that scientific and technological developments will permeate every aspect of the global environment.

5. [A] fifth trend [is] the relative power and influence of many nation-states will continue to erode over the next 15 years, while transnational networks of all kinds will almost certainly grow in number, economic power, and political significance. Globalization and the permeability of

borders to the flow of people, goods and information are all combining to erode state sovereignty.

6. The sixth trend points to a shift in power relationships and international alignments. The world currently has only one superpower, but it will not be a hegemon, as other states - principally the collective European Union, Japan, Russia, and China- try to shape the world of the future. Shifting power alliances will take place because of the increased economic and political power of Europe and East Asia and because of the potential for American internationalism to continue to wane over time. Power alignments are in great flux as key states undergo uncertain transitions.

7. The seventh and final trend is the changing nature of warfare. The widespread consensus is that the United States will have no peer military competitor by 2015. But our military and technological prowess will not be enough to guarantee that our interests are protected. Many countries and groups will try to blunt US military superiority in other ways - for example: by improving their capabilities relative to those of their neighbors, and by using asymmetric means, such as terrorism and weapons of mass destruction, instead of conventional forces. Terrorist incidents are likely to continue, at least at current levels, and may increase by 2015. Terrorists will be better armed with more sophisticated weaponry. Some groups are already pursuing chemical and biological weapons capabilities. In the future, terrorists will seek to cause more casualties per incident, the vast bulk of whom will be civilians (Gannon, 2000).<sup>5</sup>

Although information is plentiful, scanning the environment strategically is becoming more complex due to the rate of constant change. Nevertheless, let us consider the global environment between 2015 and 2050. We begin by identifying the regions of the world and then project global competitive trends and governing systems.

[Read more &gt;&gt;](#)