

# SUMMARY OF PRESENTATION

## Pursuing Certainty in Times of Uncertainty

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The operating environment for global business may witness significant changes even in the near future. In addition to the typical factors that are used in future scenario planning, such as demographic developments, evolution in technology, economic development in different countries, there are factors in horizon that may become relevant sooner than we assume. One very fundamental factor is naturally the impact of the changing climate - the latest research suggests that the changes may be more severe and faster than expected only a year ago. Very much related to the climate change, a big unknown is the change in the values of particularly young people in many parts of the world. In the last few months we have witnessed a movement by teenagers across the globe, and indeed the younger generations may walk the talk and change their behaviour as consumers rapidly. For instance, buying goods that have been transported from another continent may be seen not so positively in the future.

Another uncertainty has to do with the political framework of global business. For more than a decade there has been discussion on the possibility of deglobalization. Seldom after the World War II have there been so many worrying signs as there are right now: growing nationalistic and protectionist discourse in many parts of the world, threats of significantly raising tariffs that have been reduced rather steadily for the last 60 years, and linking cross-border trade and investment regulation very strongly with political debates. The third element of uncertainty comes from the business dynamics itself. We see shifts in the value creation of companies, and for instance the speed-to-market and proximity to customers seem to become increasingly important and the labor-cost arbitrage decreasingly so. This may mean more intra-regional trade and slower growth in inter-regional flows. Overall, in these times of uncertainty, it is essential that companies and all actors in the value chains prepare for significant changes, for instance, through serious scenario planning. It appears that more than before, actors must now be prepared to question the very fundamental assumptions in their business. It is very difficult to prepare for the unexpected, not least for the famous unknown unknowns, but going through the "what-ifs" and even "whys" is very much needed now."