BUSS1000 Future of Business

Complete Study Notes

Contents

How to use these notes 1

1. The UN Sustainable Development Goals 2

2. External analysis: PESTLE and Porter's Five Forces 3

3. Internal analysis: SWOT, resources and capabilities 5

4. Strategy 7

5. Business and society: from profit maximisation to shared value 9

6. Sustainability 13

7. Technology and business 14

8. Innovation and entrepreneurship 16

9. Exam and report toolkit 19

Page numbers refer to the page footers.

BUSS1000 Future of Business – Complete Study Notes

These notes cover the major frameworks and ideas in BUSS1000 Future of Business, from sustainability and external analysis to strategy, business and society, technology, and innovation. They are written as a study companion: each framework is explained, linked to real company examples, and paired with the critiques you need to write critically in reports and the final assessment.

How to use these notes

- **Learn the framework, then the critique.** Markers reward analysis that goes beyond describing a model. Each section ends with limitations or evaluation points you can use.
- **Link back to strategic fit.** Almost every topic connects to one question: does the business's internal setup match what its external environment demands?
- **Use the Exam toolkit at the end** for a one-page framework summary and tips on applying the models to a case.

Topic	Key frameworks and ideas
UN SDGs	17 goals, business opportunity, SDG-washing
External analysis	PESTLE (macro), Porter's Five Forces (micro)
Internal analysis	SWOT, resources and capabilities, VRIO
Strategy	Strategic fit, Porter's Generic Strategies, Strategy Diamond, KPIs
Business and society	Trust, profit maximisation (Friedman), CSR, Creating Shared Value (Porter and Kramer)
Sustainability	Triple bottom line, circular economy, doughnut economics
Technology and business	Emerging tech, AI and the changing workforce
Innovation and entrepreneurship	Entrepreneurial mindset, sustaining vs disruptive and radical vs incremental innovation, design thinking

1. The UN Sustainable Development Goals (SDGs)

The SDGs are a shared global agenda that businesses are increasingly expected to support. They matter because pressure to act now comes from governments, investors, industry bodies, employees and customers at once.

What they are

- Adopted in 2015 by all 193 UN member states as a 15-year plan running to 2030.
- 17 goals targeting extreme poverty, inequality and injustice, and environmental protection.
- Examples you can cite: Goal 9 (industry, innovation and infrastructure), Goal 12 (responsible consumption and production), Goal 13 (climate action).

Why they matter to business

- **Risk:** aligning with the SDGs helps a firm prepare for climate change, resource scarcity and social instability.
- **Opportunity:** unmet social and environmental needs are also unmet markets, so the goals can drive innovation and growth.
- **Stakeholder relationships:** firms that contribute credibly build trust with consumers, investors and regulators.
- **Accountability:** firms are increasingly judged on purpose and impact, not just profit.

Limitations (use these to be critical)

1. **Voluntary.** No legal obligation exists, so companies can ignore the goals or engage selectively.
2. **Uneven progress between countries.** Political instability, weak infrastructure and economic hardship hold some nations back, which can widen global inequality.
3. **Goals can conflict.** Industrial growth (Goal 9) can undermine climate action (Goal 13) if it is poorly managed.
4. **SDG-washing.** Firms may use SDG branding for marketing without making real contributions, which dilutes the agenda.
5. **Depends on international cooperation.** Geopolitical tension and shifting national priorities slow coordinated progress.
6. **Ambition gap.** Because commitment is voluntary, complex long-term problems such as climate change and deep inequality may remain unresolved by 2030.

Exam angle: when a company claims SDG alignment, ask whether its core operations change, or only its marketing. That separates genuine contribution from SDG-washing.

2. External analysis: PESTLE and Porter's Five Forces

External analysis identifies the opportunities and threats outside a firm's control. Firms that ignore it get blindsided by changes in technology, consumer behaviour or regulation.

Macro vs micro environment

	Macro-environment	Micro-environment
What it covers	Broad forces affecting every firm: economy, politics, technology, society, law, environment	The firm's immediate industry: buyers, suppliers, rivals, entrants, substitutes
Framework	PESTLE	Porter's Five Forces
Control	None; the firm must adapt	Limited; the firm can shape relationships and positioning
Role	Shapes the landscape	Shapes how the firm competes within it

Case: Blockbuster vs Netflix

- In 2000, Netflix offered to sell itself to Blockbuster for about US$50 million. Blockbuster declined.
- Blockbuster had around 4,300 US stores and close to US$5 billion in revenue, against Netflix's US$36 million, so it did not see Netflix as a threat.
- Netflix was customer-centric and embraced streaming technology. Blockbuster did not adapt to changing consumer needs or emerging technology.
- **Lesson:** a strong current position can create complacency. Constant scanning of the external environment is essential.

Porter's Five Forces (micro / industry analysis)

Developed by Michael Porter (1979), the framework assesses how attractive and profitable an industry is. Strong forces squeeze profit; weak forces leave room for it. Use it to find where a firm is strong, where it is exposed, and which risks to mitigate.

Force	Core question	Factors to assess	Force is HIGH when…
Bargaining power of buyers	Can customers push prices down or demand more quality?	Buyer concentration, purchase volumes, price sensitivity, switching costs, access to information, product differentiation, threat of backward integration, revenue dependence on key buyers	Few large buyers, cheap switching, standardised products, well-informed customers
Bargaining power of suppliers	Can suppliers raise input prices or cut quality?	Supplier concentration, differentiation of inputs, substitutes for inputs, supplier reliance on the industry, switching costs, threat of forward integration	Few suppliers, unique inputs, high cost to switch
Threat of new entrants	How easily can newcomers enter and erode profits?	Capital requirements, economies of scale, brand loyalty, access to distribution, regulation and licensing, incumbent retaliation	Low barriers to entry, low capital needs, weak brand loyalty
Threat of substitutes	Can customers meet the same need another way?	Price and performance of alternatives, switching costs, buyer propensity to switch	Cheap, good-quality alternatives from outside the industry
Competitive rivalry	How intense is competition among existing firms?	Number and size of rivals, industry growth rate, product differentiation, fixed costs, exit barriers	Many similar-sized rivals, slow growth, little differentiation, high exit barriers

Tip: a substitute meets the same need from a different industry (streaming vs cinema), while a rival is in the same industry (Netflix vs Disney+).