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Environmental Spheres of a Firm

Figure 3.1 Environmental spheres of a firm
In the new St. Gallen Management Model, we distinguish among four important environmental spheres. The most all-encompassing sphere is society. It is the social discourse which impacts upon how nature as such is actually perceived, how technological developments progress, and how economic value creation should occur. With respect to the environmental sphere society, for example, firms might be interested in the following aspects and their related trends:

- the population’s readiness to work and the level of education;
- the population’s open-mindedness towards unfamiliar and new ideas;
- the population’s willingness to take risks;
- the population’s age structure;
- the distribution of income and wealth;
- social problems and potential for conflict;
- the role of the government and the manner in which public opinion is shaped;
- political culture and limiting conditions;
- political forces;
- public infrastructure and educational opportunities;
- …

The environmental sphere nature is not simply – as one might believe – of a given magnitude. One’s perception and opinion of the environmental sphere nature depends crucially upon current social discourses. With controversial ecological concerns in particular, these discourses can differ dramatically according to country, culture and the social and economic context within which they take place. This is especially important for globally active companies. The following aspects, for example, might be of particular interest for firms:

- abundance of resources (air, water, surface area, mineral resources and raw materials)
- access to the ocean
- agricultural potential
- topography
- climate (temperature, humidity, daily and seasonal patterns)
- biological diversity (flora and fauna)
- pollution
- …