What future for businesses in Visegrad countries?

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Agenda

- Introduction – why it is important to teach the future (in V4 countries)
- Economic features of Visegrad region
- Methodology of the research
- Results
- Summary
- Follow-up information
Why it is important to teach the future

Few companies today would say they are happy with the way they plan for an increasingly fluid and turbulent business environment (Wack 1985).


Why it is important to teach the future

Executives always ask for evidence of effectiveness of futures work, such as examples of accurate predictions; decisions made based on these, profits made or losses avoided. All of them illustrated with explicit company names, which have “succeeded”.

Why it is important to teach the future

Whereas emphasizing the real value and competitive advantage of:

- individual and institutional learning;
- changing mental models that decision makers carry in their heads and;
- transforming institutional rules and culture,

all stemming from foresight; does not immediately resonate with the key people in an organisation who have the power to make important decisions.

This implies from futures researchers and consultants to embrace the following key aims:

1. to deliver high quality embodied foresight output, such as: scenarios, roadmaps, visions, options, key priorities or actions, explanations of trends or weak signals etc. and
2. to enhance disembodied learning processes on individual and organisational levels, which would lead to revising the views of the world, accepting uncertainty, triggering spontaneity and experimentation, and acting accordingly with/against changes/shocks (Miller R., UNESCO).

http://www.carolineedmonds.co.uk/images/headers/drinktothink.jpg
Economic features of Visegrad (V4) region

This discussion holds true for domestic enterprises operating in Central and Eastern Europe.

The Visegrad Group (the "Visegrad Four” or simply "V4") reflects the efforts of the countries (Czech Republic, Hungary, Poland and Slovakia) of the Central European region to work together in a number of fields of common interest within the all-European integration.

One of the tools, which is used by the V4 group to encourage mutual cooperation, is the International Visegrad Fund (IVF).

- **Visegrad Fund**
  - Annual budget: 8 mio EUR

The four nations are “high income countries,” as defined by the World Bank.

High rankings among the Human Development Index – a composite statistic of life expectancy, education and per-capita income

The most pressing challenges for Czech Republic, Hungary, Poland and Slovak Republic are large productivity gap, high long-term unemployment, and low labour force participation of specific groups (OECD)

One of the lowest positions in Europe in the Global Innovation Index
Economic features of Visegrad (V4) region

Foresight capacity building could be instrumental to enabling the development and deployment of shared business strategy and growth plans in the region....

.........but despite many foresight initiatives taking place in the region; the use of the results for policy making (i.e. S3) was limited. Similarly, the involvement of business sector was remarkably low.

Methodology of the research

- The aim of the research has been to develop and discuss alternative business futures for Visegrad (V4) region through the involvement of entrepreneurs and foresight experts from Visegrad countries;

- The research has been undertaken in the framework of “Mobilizing corporate foresight potential among V4 countries (FOR_V4)” project,

- The authors build on previous research undertaken by (Atherton 2005) and implement methodological approach, which allows to combine quantitative and qualitative scenario building methods.

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Methodology of the research

Information & stakeholders gathering  Workshop delivery

Processing & preparing deliverables

11/26

Methodology of the research

(1) Macro perspective  (2) Micro perspective

<table>
<thead>
<tr>
<th>When? Before the workshop</th>
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<tr>
<td><strong>What?</strong> Scenarios of the region</td>
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<tr>
<td><strong>Why?</strong> Provide the starting point for discussions at the workshop</td>
</tr>
<tr>
<td>Explain quantitative foresight approach</td>
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<td>Update previous foresight work</td>
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</table>

Updated business scenarios for V4 region

SCIENTIFIC VALUE

12/26
Methodology of the research
(1) Macro perspective

Based on (Atherton 2005)

Results
(1) Macro perspective

Based on (Atherton 2005)
The framework of possible business scenarios

Results

(1) Macro perspective

Atherton 2005

Methodology of the research

(1) Macro perspective

In order to link the economies of the Visegrad region with the so-identified scenarios, the authors carried out the analysis of the individual country figures, which represented the three key drivers through specific economic indicators.

Based on (Atherton 2005)
Results

(1) Macro perspective

Drivers’ dynamics 2004 – 2014 for Visegrad countries

The figure illustrates the transition of V4 economies from DSE scenario towards GFS scenario based on the results of quantitative data analysis for Visegrad countries plotted on a scenario matrix, where:

- the x-axis portrays business population: domination of SMEs vs large enterprises;
- the y-axis portrays the connectivity in the economy: more vs less integrated in terms of trade balance and FDI.

Visegrad countries mapping against the scenario framework
Methodology of the research

(1) Macro perspective  (2) Micro perspective

When? At the workshop
What? Scenarios of the company
Why? Show entrepreneurs how to think, speak & deal with complexity

Explain qualitative foresight approach
Influence mental models

Individual V4 companies scenarios

PRACTICAL VALUE

19/26

Methodology of the research

(2) Micro perspective

The aim of the workshop (and the project) was to increase Futures Literacy among 12 companies from Visegrad (V4) region
Visioning workshop (main question)
What’s the future of a company based in V4 region, which is: connected, integrated and small-business driven (Global Flexible Specialisation scenario)?

The key workshop activities included:
- Brief introductory presentation about scenario method (incl. case studies),
- Presentation of scenarios developed with Atherton’s methodology (incl. data for the four project countries),
- Development of scenarios from a perspective of an individual V4-based company.

Basic assumptions for business development in the region
Elaboration of factors influencing business activity according to STEEPVL analysis
Factors ranking by importance and uncertainty
Selection of two driving forces
Elaboration of short strategy for the most desirable scenario
Three working groups

MACHINE INDUSTRY  3D PRINTING  TRANSPOTATION SECTOR

Results

(2) Micro perspective

The name of the company
“DDD” service provider

Size
50 people

Region
global/international, located in south Poland

Technology
printing: plastic, metal, powder

Products
service provider

Four scenarios of 3D printing company

Disruptive technologies (external)

<table>
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<tr>
<th>BREAKTHROUGH NEW PARADIGM SCENARIO</th>
<th>LUXURY WORLD SCENARIO</th>
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<tr>
<td>Low costs</td>
<td>High costs (External)</td>
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<tr>
<td>Consumption</td>
<td>Waste</td>
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<tr>
<td>IP, R&amp;D public investment</td>
<td>Process of EU disintegration</td>
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</tbody>
</table>

Growing competition:
- % of competitors
- New market entries

Passion

Recycle

Tooling in many industries – fast repair

SLOWLY AND PRECAUCIOUSLY INTO THE FUTURE

FLAT LAND SCENARIO

Slow evolution of technologies

Results

(2) Micro perspective
## Summary

<table>
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<th>General aim</th>
<th>Methodological assumption</th>
<th>Methods</th>
<th>Achieved added value</th>
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<tr>
<td>Develop and discuss alternative business futures for V4 region</td>
<td>Scenario building method encompassing quantitative and qualitative foresight approaches</td>
<td>Desk research</td>
<td>Data update and new V4 economies analysed</td>
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<td>Quantitative scenario approach</td>
<td>Demonstrated V4 economies transition to another scenario based on the updated quantitative analysis</td>
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<td>Providing good starting point for analyses during the following scenario workshop</td>
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<td>Advancement of futures research in V4 region</td>
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<td>Increased Futures Literacy of V4 business representatives participating in the workshop</td>
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<td>Possible factors influencing specific business activity identified</td>
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<td>Individual V4 region-based business scenarios developed</td>
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## Follow-up information

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INSTEAD OF LEARNING TO SURF, CONVENTIONAL ORGANISATIONS TRY TO CONTROL THE WAVES! THIS ALMOST NEVER WORKS (ALEN WARD)

Thank you!