Emerging Challenges for Sustainable Business

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Abstract
To maintain the sustainability in the business is one of the biggest challenges for any business organization in present global competitive environment. Companies have to confront various hurdles for maintaining its future sustainability. In present scenario one of the prominent challenges is adaptation of new technology, which leg the companies to equate the shoulders with competitive companies globally. Ultimately this challenge caused the organization to adverse situation. The second challenge is to cater the need and demand of consumer because the consumer is complex in nature, whose satisfactory level is affected due to taste and preference, cost of product and many other product associated services. For this the companies need to invest huge fund in Research and Development department. The third challenge is Corporate Social Responsibility, a company required to focus on surrounding social network where the company is functioning to maintain its future sustainability like availability of clean and pollution free environment, good infrastructure, concentration on education, important one is opening the opportunities for jobs and vacancies. The fourth challenge is entering the competitors on large scale to prove itself better than other companies by introducing the new technology product on affordable price. The fifth challenge is to cope with the government rules and regulation with taxation policies of concern country where the company is functioning.

Keywords: Competitive environment, Adaptation of new technology, Entrance of competitors, Government policies, Need and demand of consumer.

Introduction
In the present era of Globalization, the companies face a wide range of challenges to proceed with their businesses day by day. Sustainability as the way an Organization increases its positive—and reduces its negative—effects on society, the environment and the economy. We strive to incorporate sustainability in the work we understand the importance of sustainable business practices in India. In fact, sustainability has long been a cornerstone of our corporate culture. And in the changing global landscape, it is becoming a significant factor in achieving high performance. Sustainability is taking the business world by storm. It seems that every day a new company is getting on board in an incredible range of different ways. While some are still only approaching it on a very superficial level, plenty of others are really taking sustainability seriously, exploring what it does and can mean to their business, their suppliers, their employees, their customers and the role that they can plan in strengthening society and the environment while also running an increasingly successful business.

In this present era every company needs to grow rapidly with the minimal cost of producing product and services by implementing the new technology, but the companies which are using the old technology are fallible to sustain their businesses in this dynamic environment. The challenges of change in the foreign exchange rate also restrict the companies to import and export their products with efficiency. The government of some countries imposes higher taxation and tariff policy which also restrict to companies to expand their business in global exposure as per their efficiency. Since few years the investment is also one of the major challenges for countries to proceed their business because the investors shows lesser confidence to invest their investment in developed country due to recession and change in economic outlook, they like to invest in developing countries because of higher opportunity for growth that create a challenge for companies to proceed the business in developed countries. the social responsibility of business organization also one of the biggest challenge for organization. Every business organization have some responsibility towards the society, where they conducting their business like providing the quality product with affordable price providing the employment to the nearby society and available the product to the customer where they need. In present era selling is an easy job but retaining the customer is not easy job because for
retaining the customer till long time, the companies required to satisfy their needs and demand, but in this situation a company has to suffer a lot of expenses in R&D. So it is a big challenge for the company to maintain the social responsibility towards customer. Corruption is one of the biggest challenges for small as well as big enterprises because corruption roots are spread throughout the world, under corruption people uses the bribes to solve their personal as well as organizational purposes. So in this situation the companies like MNCs face problem to proceed with their business.

Since last two and three years the major developed economy like US, UK are facing the problem of Recession and inflation. Although the economy like U.S. implementing the Relief package to overcome by this Recession still these economy are not overcoming by this recession. So in the global business environment the Recession is a major challenge which affects the GDP and GNP or growth rate of a country.

Keys for sustainable business around the world

1. A deeper understanding of what sustainability means

The days of sustainability strategies being principally about putting recycling bins in the office and printing on both sides of the printer paper are (hopefully) increasingly behind us. Although this is still an important part of most strategies, sustainability in a business is about so much more regardless of the size of your business, and we are quickly moving away from a ‘sustainability is all about saving the world but not about business’ mentality into the ‘using sustainability to strengthen my business while also having a positive impact on society’ one.

2. Your employees are your secret weapon

A sustainability strategy doesn’t count for much if you get someone to write it up, print it off and put it behind a glass window. Your employees are your strength; give them a strategy and goals to get excited about, and ways to be part of implementing it. Employees know their jobs, their products better than anyone else so they should be best placed to see opportunities to make them more sustainable. Give them the tools and motivation to be able to be part of moving forward in the chosen direction.

3. Speaking with rather than to your customers

For years now businesses have communicated their sustainability commitments or activities to their stakeholders and customers through their websites, through annual reports and presentations. Today companies are exploring ways to create a two-way conversation between the company and its stakeholders in this area and are involving customers in their sustainability strategies.

4. Your impact goes well beyond what happens in your office

Every product, every service has a story. Whereas before, most people had no interest in what that story was and were only concerned with the price tag, today companies such as Patagonia are either voluntarily choosing to, or are being forced to, not only know but really understand the life story of what they sell. It is no longer just about the price and performance of the radio, it is about how the radio is designed, what materials are being used and where are they coming from, how the radio is being produced, how it is being sold, how it is being used by consumers and what consumers do with it once they are finished with it and then increasingly how that radio becomes another radio or another product altogether and becomes part of the story of a new product.

5. Really get to know your suppliers

Increasingly businesses such as PepsiCo are realizing that in order to make their businesses more sustainable they need to take some time to really get to know their suppliers in ways they often haven’t in the past. Are your suppliers helping or hindering your sustainability efforts? What about the suppliers of your suppliers. Are there ways that you can help them help you?

6. A more open environment to explore sustainability
Companies are increasingly working together; with competitors, across industries, with NGOs and with government, to get it right when it comes to sustainability. Combine this with a trend towards increased transparency in reporting (for example Global Reporting Initiative and the Carbon Disclosure Project) means they are disclosing increasing amounts of information about the impacts that they have on the planet, both positive and negative. As awareness levels about sustainability go up, companies are being encouraged to be honest about the challenges they face, and to work together on finding the solutions.

7. The ‘business case’ is wider than most realize

Sustainability isn’t a switch that you turn on and off within a company, where the benefit can be quantified in such a straightforward way. Companies such as Unilever are seeing that pursuing different sustainability strategies have an effect on many parts of the business, from employee and customer retention to better relationships with suppliers ensuring higher quality goods.

8. Your new recruits will take you there

We are seeing new employees coming into the workforce that not only have strong business knowledge, but an interest and knowledge of sustainability.

9. Having fun with it

In many ways, sustainability is all about innovation. As individuals and companies become more experienced with what sustainability means and how to approach it, we are seeing companies having fun with it, being very innovative, creative, and experimental.

**Sustainability as a Challenge for Leading organization across Globe**

**Technological challenge**

Over the year new technologies are developed, changes were very less, the companies use their old methodology and techniques to produce goods and services, which result there was very less competition to sell their product in international market. But After post-Liberalization a radical reform came in technological sector specially IT sector, software development and digital technology. The new born technological totally changed the working pattern of companies. This help the companies to produce new product and earn higher profit but side by side the technological advancement and innovation became a big challenge for the companies to sustain in the market. The result of this technological development, the companies which could not adopt the technological trend removed from the race of competition, due to high cost of product using old technology. Technology has changed much of the world, but the effects are rarely more pronounced than in the area of business. Businesses today use technology in almost every facet of operation. They communicate with advanced network systems; they analyze data and plot forecasts using complicated programs; they utilize all types of digital media for marketing campaigns; and they streamline operations with new inventory and check-out systems. Technology is not without its downsides, but business cannot deny the impact it has had on every level.

**Competitive Environment**

Businesses exist in a competitive environment. A direct competitor is a business that produces or sells a product or service that is identical or highly similar to another in the same market. Supermarkets are in fierce competition with each other to provide the best possible value for money goods, and to offer the most suitable range of products for their customers. Within a market businesses are faced by direct competitors. These are firms that produce the same or very similar goods e.g. fruit and vegetable sellers on a Saturday market. However, most products are differentiated in some way. For example, although soap powders may look highly similar each will offer some form of special ingredient that sets them apart. Indeed, in recent years differentiation in this market has been increasingly differentiated by the development of various forms of detergent. Businesses compete in many ways. One of the most obvious ways is -
In this paper we study the impacts of government policy on business is one of the major challenge for any business. Once upon a time economists thought government policies has no impact on business. But after the great depression it is proved that government policies have a direct impact on business. For example if government impose more taxes & duties on a particular sector than profit margin of this sector will go down even businessmen can lose their interest to this sector and they can give up this business. Similarly if government give some taxation / duty facilities and subsidy for any particular sector then businessmen will fell encourage investing in this sector as a result this sector will grow up. Not only this, if government ensure availability of loan with a reasonable interest though the monetary policy of the central bank than investment will go up and vice versa.

1. DIRECT TAXES: these are taken directly from people’s wage packet.
2. INDIRECT TAXES: these are placed on spending e.g. Value Added Tax.

The Impact of Government Policy on Business can be explaining from two points of views. Such as:

i. From Political point of view.
ii. From Technical point of view.

1. If we describe the impact of government policies on business from political point of views then we have to think about inland political parties (ideologies) as well as world politics. Because international business never depends upon any particular government’s policy it depends on the local as well as world order.

2. If we describe the mater from technical points of views then we will have to consider the following things:

- taxation
- subsidies
- interest rates
- exchange rates
- public-private partnerships
Objectives of paper

1. To study how the technological innovativeness and development affect the sustainability of organization (selected sample Telecom sector).

2. To see how the competitors impact on sustainability of established company by available cheap and best product on affordable price to consumer.

3. To analysis the changing need and demand of consumer accordingly, companies made investment in Research and development of product.

4. To study the investor prospective in term of FDI throughout the world due to which economy of organization might be affected.

5. To overlook the effect of changed government policy (Import and export, tariff, taxation policies) to global business environment.

Hypothesis

Effect of Change in Technology in Telecom Sector

<table>
<thead>
<tr>
<th>YEAR</th>
<th>LAND-LINE CONSUMER</th>
<th>MOBILE PHONE CONSUMER</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>1996</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>1998</td>
<td>4</td>
<td>2</td>
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<tr>
<td>2000</td>
<td>3</td>
<td>4</td>
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<tr>
<td>2002</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>2004</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>2006</td>
<td>4</td>
<td>16</td>
</tr>
<tr>
<td>2008</td>
<td>5</td>
<td>20</td>
</tr>
<tr>
<td>2010</td>
<td>6</td>
<td>27</td>
</tr>
</tbody>
</table>

Chart 1.1
Explanation

According to the above analysis, Technology is one of the major challenge for telecom industry. The development of mobiles has reduced the users of land line phone. Now the people uses the landline phone only to solve the purpose of broadband internet. If this trend for technology development proceed then very soon the land line phone will be eliminated.

Changing needs and demand Pattern of consumer

The needs and demands of customer are unpredictable, because of improvement in standard of living and education. In this situation the companies R&D department prediction are unsuccessful and the companies business are undergone. The big MNC’s spending major portion of income on research and development. In this situation customer retention is the major challenges for companies because the competitors enter in the market with cheaper product and good quality.

Table1.2

| COUNTRIES INVESTMENT IN RESEARCH AND DEVELOPMENT |
|-----------------------------------------------|----------------------------------|
| COUNTRIES                        | US$BILLIONS |
| US                              | 344          |
| JAPAN                           | 139          |
| GERMANY                         | 67           |
| FRANCE                          | 41           |
| UK                              | 36           |
| CHINA                           | 87           |

Source: OECD website

Chart-1.2
Explanation

According to the above analysis, the need and demand of customer are unpredictable due to which the companies required spend much on research and development to make right forecasting. This kind of problem generally observed in developed economy like US, JAPAN but still the developing countries are escaped by this. Thus this is a big challenge for companies to survive with their business.

**SECTOR–WISE INVESTMENT OF PERCENTAGE OF SALE IN R&D**

**Table 1.3**

<table>
<thead>
<tr>
<th>SECTORS NO. OF COMPANIES</th>
<th>USD</th>
<th>PERCENTAGE OF SALE</th>
</tr>
</thead>
<tbody>
<tr>
<td>AUTOMOBILE &amp; PARTS (78)</td>
<td>80284</td>
<td>4.1</td>
</tr>
<tr>
<td>GENRAL INDUSTRY (36)</td>
<td>11583</td>
<td>2.1</td>
</tr>
<tr>
<td>HOUSE HOLD GOODS (24)</td>
<td>5011</td>
<td>2.3</td>
</tr>
<tr>
<td>INDUSTRIAL METAL (23)</td>
<td>3201</td>
<td>0.8</td>
</tr>
<tr>
<td>SOFTWARE AND COMPUTER SERVICES (115)</td>
<td>34359</td>
<td>10.1</td>
</tr>
<tr>
<td>PHARMACEUTICAL (157)</td>
<td>92881</td>
<td>15.9</td>
</tr>
</tbody>
</table>

Source-OECD web site

**Chart 1.3**
According to above analysis, sectors like pharmaceutical and automobile invested much in R&D to identify the needs and desire of customer in final products. Apart of these house hold goods also require the good investment in R&D. This kind of expenses increase the cost of product, and for the company point of view, this is a big challenge because here the competitors enters the market and available the same product to the customer with cheaper price with same quality.

EXPLANATION—According to above analysis, sectors like pharmaceutical and automobile invested much in R&D to identify the needs and desire of customer in final products. Apart of these house hold goods also require the good investment in R&D. This kind of expenses increase the cost of product, and for the company point of view, this is a big challenge because here the competitors enters the market and available the same product to the customer with cheaper price with same quality.

The Globle investors like Mauritius, USA, UK, Singapore are changing their perspective towards investment in terms of FDI. They shows much confidence to invest their investment in developing countries because of higher opportunity for growth and availability of furnished resource in huge quantity than developed economy the results of this, there is imbalanced found in the business trend in world since several years.

### Table 1.4: FDI Investment Around the World

<table>
<thead>
<tr>
<th>COUNTRIES</th>
<th>PERCENTAGE of Total FDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHINA</td>
<td>1.93</td>
</tr>
<tr>
<td>US</td>
<td>1.67</td>
</tr>
<tr>
<td>INDIA</td>
<td>1.64</td>
</tr>
<tr>
<td>BRAZIL</td>
<td>1.53</td>
</tr>
<tr>
<td>GERMANY</td>
<td>1.43</td>
</tr>
<tr>
<td>AUSTRALIA</td>
<td>1.33</td>
</tr>
<tr>
<td>UK</td>
<td>1.32</td>
</tr>
<tr>
<td>UAE</td>
<td>1.29</td>
</tr>
<tr>
<td>FRANCE</td>
<td>1.29</td>
</tr>
<tr>
<td>INDONASIA</td>
<td>1.22</td>
</tr>
<tr>
<td>MALAYSIA</td>
<td>1.22</td>
</tr>
</tbody>
</table>

Source—A.T. Koorney Analysis.
EXPLANATION: According to above analysis, except China, India, US, through out the world spread near about the same FDI investment. Here is a big problem of finance for the existing companies and the Global business players are hesitating to open their new branches, because of less chance for growth.

SCOPE

These topics enhance the knowledge and open the new avenue of study on sustainable business in varied challenges at national as well as international level.

LIMITATION

The main limitation of this study is to make a comparison between the organization working throughout the country and secondly collection and segregation of relevant data.

FINDINGS

According to the basis of above analysis, we found following challenges, which restrict the companies to trade in global exposure.

1. The advancement and innovation in technology of telecom sector has affected the sustainability of well established Land line phone companies throughout the world. Although it is a symbol of growth.
2. Main motive of companies is customer satisfaction, for this the well established companies made huge investment in Research and development department to identify the needs and demand of customer.
3. The investment perspective of global investor in term of FDI investment has been changed during last several years, due to which the companies financial stability has disturbed.
4. Regularly amendment made by Government in taxation other policies, somewhere affected the export, import and business planning of companies.
Conclusion

In the above analysis of research paper, it is concluded that every business is surrounded with wide range of challenges. Although challenges bring the innovation, which ultimately impacts on sale and profitability of the company. In this situation to maintain the strength and sustainability, every company required to adopt good strategy and tactics which could sustain a company in unpredicted future.

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