Global Challenges: 2013 to 2016

STLE report looks at six areas that will change your business.

When STLE surveyed members earlier this year about the environmental factors affecting their businesses and organizations, two factors topped the list of concerns. They are: global economic uncertainty and pressure to maintain or expand profit margins.

We can’t promise immediate solutions to what are obviously difficult and complex issues. However, a newly released STLE research report provides valuable context and perspective on how the global economic, political and cultural environment is impacting the tribology and lubricants business sector.

If this sounds like information that belongs in the management office, not the technical department, don’t jump to conclusions. The STLE study also shows that technical professionals are increasingly working across global markets and/or interacting with people from around the world. Understanding the big picture contributes to success, whether you are working with customers in the field, formulating in a laboratory or supporting equipment on the shop floor.

Global Challenges: 2013-2016 is a joint project between STLE and Association Laboratory Inc. (ALI), a Chicago-based consultancy. It combines information from the STLE member study (also conducted by ALI) with a comprehensive research project involving business leaders from 54 different industries and professions.

The result is an intriguing 20-page report that examines the forces likely to influence markets and business practices during the next three years. Readers will gain insights into global trends in six areas: business/economics, government, supply chains, finance, workforces and culture.

Here’s an example of how the report interprets sweeping global changes in the context of the tribology and lubricants business. This excerpt deals with the impact of changes in information technology.

“The trends in the area of disrupted information chains directly impact lubricant suppliers, who add value for customers by being an information source. While the threat exists that a customer will use information technology and online communities as a substitute for the information previously supplied as a ‘value add’ by the supplier, it becomes an opportunity for the supplier who knows how to integrate effective use of technology into the traditional definition of customer service. Suppliers who take this approach will gain a huge competitive advantage by becoming the filter through which information flows.”

Another portion of the report looks at how changes in information technology will affect customer attitudes and service expectations:

“Consumer expectations created by companies like Amazon.com have crossed over to the business-to-business world of industrial lubricants. There is pressure to provide answers and solve problems immediately, at the same speed and with the same immediacy that Amazon.com can provide lists of products, their specifications, prices and delivery options. Companies that do not provide this level of service and meet consumer expectations can easily be displaced – or replaced – due to the ability of customers to locate and buy on a global scale.”

Another portion of the report deals with the role of government, citing two major impacts on the world of tribology and lubricants. The first deals with restrictive government funding.

“Discretionary government spending will be restricted as a greater percentage of tax revenues are allocated to existing and expanded entitlement programs; this will limit resources to industries reliant on government funding. STLE members working in research are particularly sensitive to the reduction in government and commercial support for research in tribology and lubrication.”

The second looks at increased regulatory and compliance costs.

“Businesses will face increased costs because of new regulatory and compliance requirements and more aggressive efforts by state/provincial and national governments to regulate industries and professions in order to collect more revenue.”

STLE Corporate Member representatives have received a free copy of Global Challenges: 2013-2016. Additional copies are available at www.stle.org as a downloadable PDF or in hard copy format. The report is also the basis for presentations being made this fall at a number of STLE local sections and other industry organizations.

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