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ENTREPRENEURSHIP

UK macro environment

Introduction

Entrepreneurship is usually the process of setting up the business is known as the entrepreneurship (Baker and Welter, 2018). The entrepreneurs are the individual who have the ability and skills to create the new business and can bear the risk and enjoy the profits from this. The entrepreneurs have the skill of using innovative ideas, creating the source of the new ideas as well as the Good's and services. The entrepreneurs play the vital role in the growth of the economy by using their skills traits which are necessary for the starting up the business. The entrepreneurs have the features such as they have the ability to take the risk, innovation and effective leadership quality. These funds are ensured by the entrepreneurs such as taking loans from the banks and many more. There are four types of the entrepreneurship such as small business entrepreneurship which includes the businesses like hairdresser, grocery store etc., Scalable start-up businesses which starts by the vision that he world may change, large company entrepreneurship are the businesses which comes up with the innovative ideas as well as the social entrepreneurship which are the business focusing on producing the products and services for meeting the social needs and wants of the consumers. This report will discuss the Pest analysis of the macro factors of the UK which includes the political, economic, social as well as the technological factors which are very important for the entrepreneurs for setting up the business in the new market that is to the different country.

PEST analysis

Political Factors

The political factors are the factors which has the power of influencing the working of the business. These factors can be such as tax policy, environmental regulations, trade restrictions and many more. The government interference in the industry has much impact on the industry as well as on the political stability (McNair, 2017). The United Kingdom is the constitutional monarchy which works under the parliamentary system. UK is considered as the fair and stable country and provides many opportunities to the businesses running in this country. These political factors have both negative and the positive influence on the businesses such as UK is the fair country so by this the public has the large influence on the internal workings, it has much proactive government and has political stability. These are the positive impact on the businesses of the country as this will prevent the company from facing the challenges and issues in the new market. The negative impacts can be such as corruption is there in the country and the most important is the Brexit that is whether to stay in the EU or not these not have the major impact on the business working and performance of the companies. The entrepreneurs can face this challenges and factors effectively by using their professional skills and traits such as taking effective decisions, having the self-confidence and the autonomy will help them to stay ahead in the competitive market and will help them to increase their productivity level of the company as well as avoiding the impact of these factors on the working of the business.

The political stability of the country is currently being affected by the Brexit. The factors which has major impact are the tariffs, merit goods and services, health system, environmental Law, labour laws, industry safety legislations and many more. The UK has good relations with the other countries as well and it is the permanent member of the UN (Masood and Sonntag, 2020). The Brexit is the most the biggest political issue's in the country and this largely affects the business. These political factors an affect the businesses by adding he risks factor and leads to the major loss in the company as these factors has the power of changing the results. The changes in the government policy has makes the political factors of the country. The entrepreneurs can use the skill which will help them in effectively changes of the company to adopt the business environment. The unstable political environment has the impact on the businesses of the UK, so they must ensure about the changes making in the internal business as well by using their ability of taking the effective decisions for making the strategies which will help the company to work according to the business environment.

Economic Factors

These are the factors that have the impact on the business of the country as well as their economy of the overall country. The economic factors of the country are largely connected with the supply and demand of the money of the country. These factors can be such as exchange rate, gross domestic product, disposable income, interest rates and many more. The economy of the UK is growing at a very strong pace and has high positive in the terms of the economy relating to the other countries (Malecki, 2018). This country has the high GDP, diversified economy and there are also many issues along with these. The economic factors also have the positive as well as the negative impact on the businesses. The positive impact can be such as UK ranks as the fifth highest in the terms of the GDP and has the second position in the Europe, the large populated country which helps the small businesses to earn the profits, diversified economy because it has both public and the private sectors businesses, the country has the free market and the foreign direct investment is increasing. The negative of these factors has the negative impact on the working of the businesses as well as the performance of the company as the country has slow recovery from the economic recession which was held in the year 2008 and 2009, lot of money has been speeded by the country for providing the free public services aid facilities to the migrant as well (Bienhaus and Haddud, 2018).

The entrepreneurs of the businesses of the UK must ensure about effectively taking care of the company's position in the market which can be done by the using the leaderships skills in the companies which will help them in managing the proper resources in the company as well as by using the cognitive thinking skills which will help them to face the issues related to the economic factors of the country. It is very important for the entrepreneurs to use the skills and traits in the organization which will provide the competitive advantage to the overall organization because they will be responsible when the company will incur any loss.

Social Factors

The society of the UK country is rapidly changing as this leads to changing in the consumer trends. The tastes and preferences of the customers is also changing which is becoming very difficult for the companies to meet the expectations of the customers. The social factors which can impact the working of the business in UK are such as lifestyles, buying habits, health consciousness, social classes, culture and beliefs and many more. The social factors of the Pestle analysis focuses on the society needs and wants such as the

colleagues, friends, neighbours and other societal factors. These societal factors have the major impact on the attitudes, opinions as well as the interests of the people and thus, it directly impacts the sales of the products and services of the company.

These factors also have some positive as well as the negative impact on the businesses of the country. The positive impacts can be such as there are many free public services, there is high standard of living of the people as well as the more and cheap workforce in the country. The companies operating in the UK country will have the positive impacts of the social factors as this will help them in avoiding the issues in the companies (Aldrich and Wiedenmayer, 2019.). The negative impact of these factors are not good for the businesses as this impacts the whole working of the organization such as the dependency ratio is increasing, some social issue regarding the ethnic groups as well as the increasing education costs. These have the major impact on the performance of the businesses and if these are not ensured by the company then they may affect largely to the businesses. The entrepreneurs must use the skills such as the effective HR management policies, proper market research using the marketing tools and techniques will help them to understand the needs and wants of the consumers, and they can be meet effectively. The entrepreneurs are responsible for taking the actions on these issues and challenges so that the business does not get affected by these factors.

Technological Factors

These are the factors which are related to the existence, availability as well as the development of the technology according to the business environment. This technology can be varied from the engine efficiency as well as to the computational power of the company. The technology has the huge impact on the working of the business and how effectively this is done using the advanced technology. The technology can be such as the existence of the 3D technology, calculation speed of the computer, the ability of the computers in the creation of the random numbers, internet connectivity, wireless charging, automation and many more (Lounsbury and et.al., 2019.). Adopting this advanced technology in the business is very important for the company as it helps them in effectively running the business as well as staying ahead in the highly competitive market. This can have the major impact on the business as if they are not adopting this technology then they have the chances of the not surviving in the market, and they can lack behind. The entrepreneurs must use the innovative skills which will help them to adopt these technological changes and they can be used by the companies for the better results of the company.

UK does not have the good access towards the technology as it has been stated by the More Economically Developed Country. These technological factors also have the negative as well as the positive impacts on the business. The positive impacts can be such as having the quality innovation skills, expertise in the field of the science and IT, laws regarding the intellectual property and the very high competition in growing the business in the market. These ensuring the company can enjoy the competitive edge as by giving tough competition to the other companies in the same sector (Pagani and Pardo, 2017). The major negative impact of these on the business of the UK country is the slow technological development as compared to the other countries. The future of the UK is very good that gradually they will be easily achieving the speed of adopting the advanced technology in the country. These are the integral factors of the pest analysis and these are the factors which have the relation to the present as well as to the development of the technology in the future. There many organizations which gets impacts by the technology as they are very important to be considered while the growth of the company because it helps the company to increase its efficiency.

CONCLUSION:

From the above report it can be concluded that the pestle analysis is very important for the company as it helps them to understand and evaluate the factors which may impact the working and efficiency of the company. This report has discussed the factors such as the political factors, economic factors, social factors as well as the environmental factors. The political factors which has the major impact on the business working which can be determined by the analysing the government interference in the industry. The economic factors also impact the business if there is unstable economy of the country. This report has also discussed the social factors which are impacted by the culture of the consumers and the company has to meet the expectations of the consumers for surviving in the highly competitive market as well as the technological factors which will have the impact on the company if they are not adopting the advanced technology.

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