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Assessment 1

Essay PEST analysis on the UK macro environment

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INTRODUCTION

The following essay will help to identify entrepreneurs' skills and rates effectively. Entrepreneurship can be referred to as an individual who is eager to launch their idea in the current market with a new product or service (Bacq *et al.*, 2020). ***Entrepreneurship seeks high profit through launching innovative ideas.*** Entrepreneurship creates a huge impact on the economy of the UK as it opens up a huge opportunity for many people and helps to grow the country financially. ***The formation of new entrepreneurs help to high the growth of ambitions and bring innovation to the market.*** Small medium-sized businesses are the backbone of the UK economy. It is not wrong to say that the growth of the economy depends upon the growth of innovation in small businesses. which could be channelized with the help of entrepreneurs. There are various kinds of skills and traits of a person which makes them an entrepreneur. Search skills can be referred to as ***cognitive skills, social and relational skills.*** the skill of ***Management, Business Development skills and Technical skills.*** Whereas trade can be said as the behaviour of a person in a particular situation. And entrepreneurs as themselves important questions which make them different from one other. Such as what is ***the need for achievement? What is the need for autonomy?*** bringing creative tendency and calculate raised accordingly. Their locus of control defines their traits. The essay will conduct PEST analysis in which ***political, economic social, technical factors of the UK economy which affect entrepreneurship will be discussed.***

MAIN BODY

There are various factors that affect the UK economy significantly. **Political** factors such as **Bureaucracy level, corruption level, Tarif and traits policy, employment law and so on could affect businesses in both positive and negative aspects** (Doan, 2019). Such as the effect of Brexit will leave a longer effect on businesses. The **negative impact can be said a loss of trade-in with the EU customers**. And the positive effect of Brexit can be said as there are **fewer restrictions** than before on the firms which are **restricted by EU lawmakers**. To build a business in a UK economy the entrepreneur needs to do enough market research. A law like the National minimum wages law could impact the profit of employment rights. There is health and safety registration applied by the government on the workers and organizations for their training staff. According to **the John Paul seminar** that '**UK nationals are wary of entrepreneurship**'. According to them, there are two types of entrepreneurship. **Pull Entrepreneurship** and **push entrepreneurship**. the political factor of the country and the economy of the country defines entrepreneurship (Zgheib, 2018). If the country has a low unemployment rate and people are able to create their own businesses then it will be called Pull entrepreneurship. Whereas the low income countries which have the highest unemployment rate can be said to push entrepreneurship.

The changing environment of the UK after Brexit and pandemic people are losing their job more frequently. **And 30% of households reported about their last income**. Observing trends change in the political Arena gives the opportunity to the country. UK people have high disposable income and new laws and regulations also help to change the environment for the entrepreneur.

The study shows that entrepreneurship is being enriched in the UK environment (Kumar *et al.*, 2021). The United Kingdom is trying to promote entrepreneurship in order to retrieve their economical condition after the pandemic. The UK has introduced different policies which tries to promote young entrepreneur. Such as the financial and institutional Reform of entrepreneur society creating a seven-step approach for entrepreneur reform in the UK. **In the guest entrepreneur lecture**, there is a mention of **listening, learning and pivoting** which explain the right responses from the Marketplace. And talk about the business model in the UK. And new entrepreneurs good take measure of competitors and policies to grow their business in the UK.

Economic factors are the factors that are related to the economy of the country. The UK has an enriching economy to build careers and businesses. The UK is supporting entrepreneurs to bring innovation to their country. The tax system and laws of the country are created in the way that they will be habited to entrepreneurship. While doing business in the UK the entrepreneur needs to consider some factors that could influence their business significantly. Such as is the economy is giving an opportunity to build new business with the new innovative idea. Does the market is accepting the attractiveness of the Idea? **GEM Global entrepreneurship monitor** has proposed factors for increment in TEA (Mwaura *et al.*, 2021). The TEA index is the index that gives the proportion of Nasa sent entrepreneurs and business owners who are included in the working population. **This index defines the total early-stage of entrepreneur activities. According to the John Paul lecture** the United Kingdom increases from **7.8% to 12.6% in** the year 2020. It can be measured as a great achievement as it is the highest ever **recorded index since 1990**. Moreover, the Brexit effect could not let this index down. The effect of covid-19 created a crisis for every economy in the world. However, the **TEA index remains highest in this period**. The UK economy is also contracting 10% in 2020.

The GEM has proposed factors such as new business opportunities which will result from the pandemic (Kawamorita *et al.*, 2022). And opportunities that are coming from digital technology. The UK economy is growing faster than before. Economist employment growth also seems to be significantly high. All factors are nurturing entrepreneurship in the UK. **According to the guest lecturer Faiza J**, the entrepreneur needs to be in the process of creating a new idea by four

elements such as ***giving momentum to the task. Creating discipline*** in the habits which will bring consistency in business. ***The person needs to be committed*** to their journey and should not be feeling discouraged due to failure. And last but not least ***tracking progress*** will manage the progress of goal of an entrepreneur. To build a business in the UK successfully.

The ***social factor*** plays a significant role in nurturing businesses. Social factor contains the demographic of the country lifestyle of the country. What people prefer to buy and the taste and the Trends of people in that country. The demographics of the country reflects the ***birth rate and their life expectancy level*** (Aburto *et al.*, 2022). If the country has older people, then the strength of the country will be the ***Grey pound***. Moreover, the social factor also defines the lifestyle and the buying power of the people which create a huge impact on the businesses. And Entrepreneurs need to analyze the market and the current trends as it will give a brief understanding of the requirements and needs of customers. The social factor needs to be taken into consideration while moving towards entrepreneurship. ***The values and the belief of people in the UK need to be precisely analyzed to get a better market understanding***. The UK has a high degree of ***social mobility*** however there are some ***low-income families and UK's hierarchy is inclined towards inequality for some percentage***. The population of the UK is getting older and older which indicates health issues and also affects the labour market. However, the entrepreneur code targets the older population by addressing their issues with the Healthcare and real estate sector.

According to the guest ***lecture of Faiza, J.*** entrepreneurs need to be used to give ***a reflective cycle in order to get an evaluation of themselves***. While considering social factors gives reflective cycle also could help effectively. The values and the feelings of the UK's people could be targeted by creating social gatherings and one could bring innovative ideas to create social connections with them. According to the ***Faiza J guest lecturer***, she has proposed the inspirational quote ***Pablo Picasso "don't just create an idea created distribution channel"***. This quote defines the power of distribution. It is very important for an entrepreneur to ***create a network within the country to build up a great distribution channel*** (Salamzadeh *et al.*, 2019). Creating a brand is not about setting up a business but the trust and loyalty among the customer for the brand. And the social factor analysis would definitely help entrepreneurs to build a better distribution channel and connect with the people through various mediums. Social media distribution networks can be really helpful for entrepreneurs to create a brand image in the UK population. It will help to create more reach for the brand.

The ***Technology factor*** is the factor that defines the status of the industrial growth of the country. Such as how developed the infrastructure of the country has been. And how to advance technology the country possessed. ***The way practising Tools and techniques of Technology could really affect businesses***. The growth of information communication and Technology in the UK is significantly high. The ***automation sector is booming to a new height***. The UK is providing research and development facilities to bring innovation for the new product and services. Businesses could adopt the day environment of the UK through the help of automated technology. ***The procurement of AI systems is creating a new age of digitization in businesses***. The various sector of businesses in the UK is making use of technology to build their business and create their brand identity. In recent years, the research and development sector is also ***introducing 3D printers, tablets and applications which are providing services to entrepreneurs and startups in the UK*** (Valavanidis, 2020).

The new-age startups are taking advantage of automation by providing convenience to the customers. For example, Tesco is the biggest retail company in the UK providing self can check out in supermarkets to avoid the wastage of time and money of customers. In order to bring innovation in the ideas, entrepreneurs could inculcate Technology in the creative approach. ***According to the guest lecture Faiza J*** has been using customer acquisition strategy for a long time in their

businesses. According to the **customer acquisition strategy, social media campaigns create huge differences in the revenue generation of businesses**. After the effect of the deadly pandemic, people are trying to stay at their homes to avoid social gatherings and maintain social distancing. In this scenario, people are using the internet never like before. The growth of social media is exceptionally high. Entrepreneurs could take advantage of this scenario by doing social media campaigns as everyone is trying to promote their brand on **social media such as Instagram and Facebook**. This social media platform not only give reach to the businesses but also **provide constructive feedback from the customers**. this feedback helps customers as well as businesses to improve their quality. **The guest Faiza J also proposed the distribution channel about brand Ambassador and traffic multiplier**. By focusing on the distribution channel entrepreneurs code track their businesses and could remove the things which are not working properly. The Brand Ambassador has to multiply traffic online.

CONCLUSION

The above essay contributes to the understanding of entrepreneurship. The above essay gives an introduction about Entrepreneurship and its skills and traits. The straight have to bring creativity innovativeness in the business ideas of entrepreneurs. Moreover, the skills which promote entrepreneurship can be concluded as decision making power comma marketing power, financing and so on. The above essay conducts PEST analysis which gives brief knowledge about UK's economic and political factors contributing to entrepreneurship in the new age. While the social factors give an understanding of the need for research and development in the culture of the UK. The above essay also provides the example given by the guest lecturer to demonstrate how the skills and the traits of an entrepreneur could inculcate successful business in the UK. She has also given some Tools and techniques which could increase the productivity of entrepreneurs and also help to build a distribution network.

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