

The Changing Business Environment

BMBM4010

Introduction !



Module Overview

To equip students with a comprehensive understanding of business environments.

From micro and macroeconomics... to global business trends.

Assessments: A 3000 word Report due nearer the end of Term.



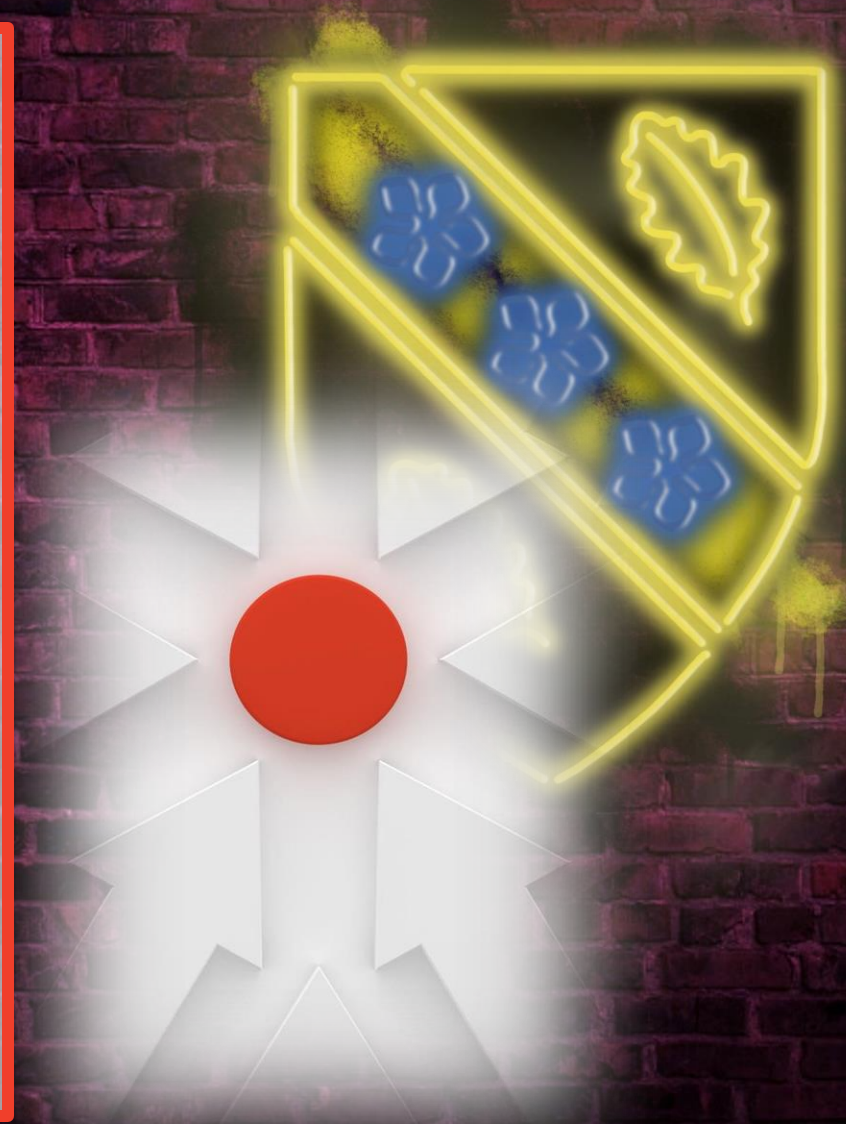
Learning Objectives

Define and explain the concept of business environments.

Differentiate between local, national, and global business environments.

Introduction to economic principles and their impact on businesses.

Apply business environment concepts to case studies and scenarios.



What is a Business Environment?

Definition: Complex interplay of external factors influencing a business.

Scope: Includes economic, political, technological, and social elements.

Business Strategy Impact: How environments shape business decisions.

Examples: Impact of Brexit on UK businesses, COVID-19's global impact.

Importance: Necessity for businesses to adapt and respond to environmental changes.



Types of Business Environments

Local: Impact of local market trends and regional policies.

National: Influence of national economic conditions and legislation.

Global: Challenges and opportunities in the global marketplace.

Interaction: How these levels interplay (e.g., local regulations within a global company).

Decision Impact: Tailoring business strategies to different environment levels.



The Dynamic Nature of Business Environments

Change Drivers: Technological advances, economic shifts, political changes.

Adaptability: Importance of business flexibility and resilience.

Unexpected Events: How businesses respond to unforeseen challenges like pandemics.

Preparation Strategies: Risk assessment and contingency planning.



Introduction to PESTLE Analysis

Tool Overview: PESTLE as a framework for environmental analysis.

Strategic Planning: Utilising PESTLE for informed decision-making.

PESTLE Elements: Political, Economic, Social, Technological, Legal, Environmental.

Role in Business: How PESTLE informs business strategies.

Political Factors

Government Policies: Tax laws, trade regulations, and political stability.

International Relations: Trade agreements and diplomatic relations impact.

Regulation Influence: Compliance requirements affecting business operations.

Lobbying: Business influence on political decisions.

Case Example: A tech company navigating data privacy laws.

Economic Factors

Economic Indicators: GDP growth, inflation rates, economic cycles.

Global Trade: Exchange rates and international economic relations.

Business Impact: How economic factors affect pricing, hiring, and expansion.

Industry-Specific Examples: Retail sector sensitivity to economic changes.

Case Snippet: A small business adapting to economic downturns.

Social Factors

Demographic Trends: Age distribution, population growth, lifestyle changes.

Consumer Behaviour: Shifts in buying patterns and preferences.

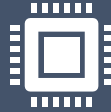
Cultural Dynamics: Impact on marketing and product development.

Social Media Influence: Role in shaping brand perception and engagement.

Case Example: A fashion brand's response to changing consumer values.



Technological Factors



TECH
ADVANCEMENTS:
IMPACT ON PRODUCT
INNOVATION AND
OPERATIONAL
EFFICIENCY.



DIGITAL
TRANSFORMATION:
NECESSITY FOR
BUSINESSES TO ADOPT
NEW TECHNOLOGIES.



E-COMMERCE GROWTH:
SHIFT TOWARDS ONLINE
SHOPPING AND ITS
BUSINESS IMPLICATIONS.



DISRUPTION EXAMPLES:
HOW NEW TECH CAN
REDEFINE MARKET
LANDSCAPES.



CASE STUDY: A
TRADITIONAL
RETAILER'S
DIGITALISATION
JOURNEY.

Legal Factors

Regulations: Compliance with laws, health and safety standards.

Employment Law: Impact on hiring practices and workplace policies.

Intellectual Property: Importance in protecting business innovations.

Global Challenges: Navigating legal complexities in different markets.

Real-World Instance: A multinational grappling with diverse legal environments.

Environmental Factors



SUSTAINABILITY:
GROWING EMPHASIS
ON ECO-FRIENDLY
BUSINESS
PRACTICES.



CSR INITIATIVES:
CORPORATE
RESPONSIBILITY
TOWARDS
ENVIRONMENTAL
STEWARDSHIP.



**BUSINESS
EXAMPLE:** A
COMPANY
LEADING IN
GREEN
INITIATIVES.



**CLIMATE CHANGE
IMPACT:** RISKS AND
OPPORTUNITIES
FOR BUSINESSES.



**CONSUMER
EXPECTATIONS:**
DEMAND FOR
SUSTAINABLE AND
ETHICAL PRACTICES.



Break Time
15 mins



Activity: PESTLE in Action

- Activity Brief: Conducting a PESTLE analysis on Amazon.
- Scenario: Overview of the company and its current situation.
- Task: Identifying key PESTLE factors affecting the company.
- Group Work: Collaborative analysis and discussion



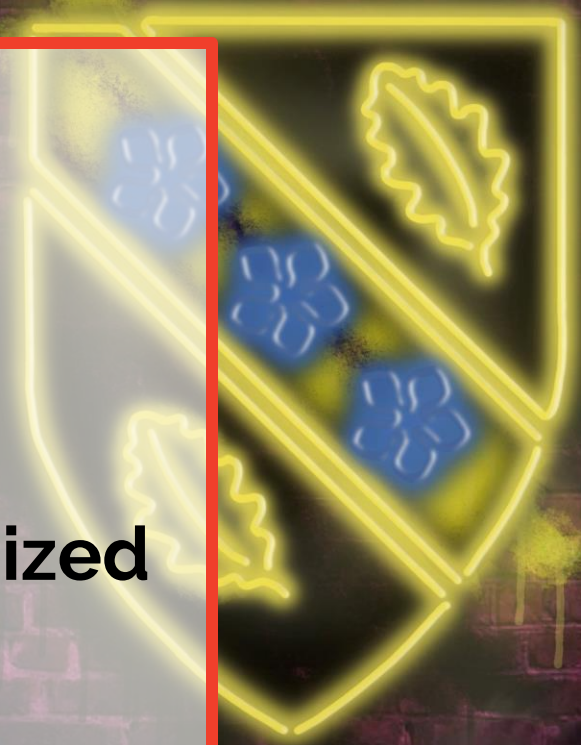
Activity Debrief

Present your PESTLE analyses.

Insights: Discussing different perspectives and findings.

Common Themes: Identifying key factors recognized by multiple groups.

Learning Points: Understanding the complexity of business environments.



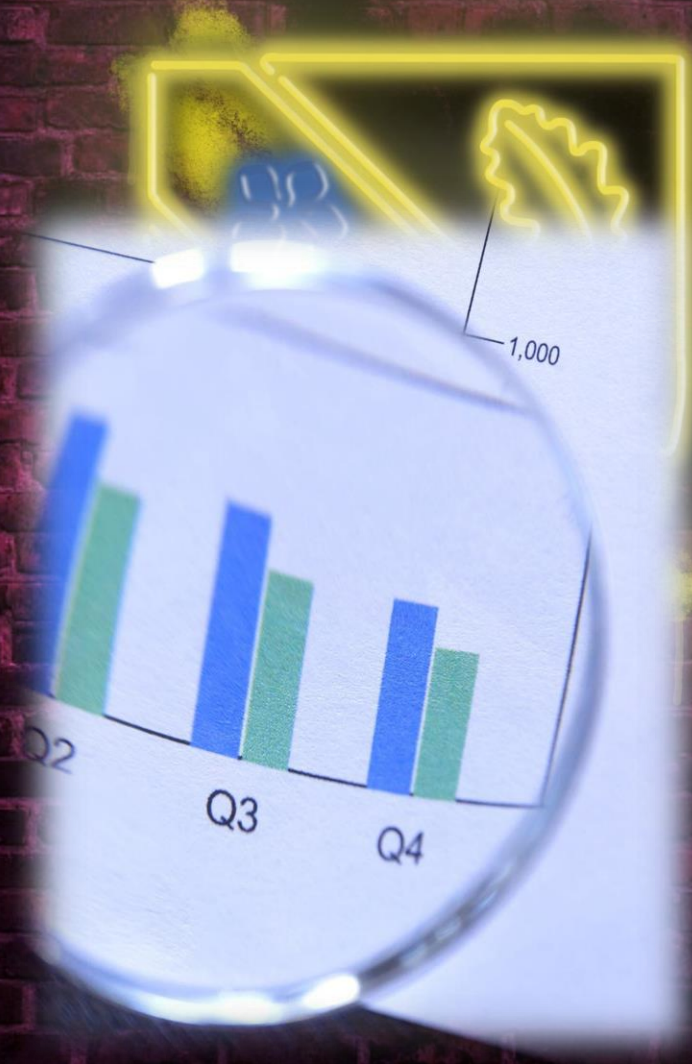
Microeconomics in Business

- **Basics:** Supply, demand, and market pricing mechanisms.
- **Business Decisions:** Microeconomics in pricing and product development.
- **Competition Analysis:** Understanding market dynamics and competitor strategies.
- **Practical Application:** Pricing strategies in different market conditions.
- **Business Example:** A café's response to local market competition.



Macroeconomics in Business

- Overview: National economic trends and their broader impact.
- Economic Health Indicators: Understanding GDP, unemployment rates.
- Policy Influence: Fiscal and monetary policies shaping business environments.
- Strategic Implications: Aligning business strategies with macroeconomic conditions.
- Case Study: Retail chain's adaptation to economic recession.



Microeconomic Factors

Company Profile: Small business in a competitive market.

Challenges: Navigating supply costs and consumer demand.

Strategic Decisions: Pricing, marketing, and product offerings.

Outcomes: Business growth or struggles and key takeaways.

Discussion Prompt: How could different strategies affect outcomes?

Macroeconomic Trends



- **Company Overview:** A multinational corporation.
- **Macroeconomic Context:** Dealing with global economic fluctuations.
- **Strategic Response:** Diversification, cost-cutting, market expansion.
- **Results:** Successes and failures in adapting to economic trends.
- **Group Discussion:** Alternative strategies and their potential impacts.

Globalisation and Business Environments

- **Globalisation Defined:** Economic, cultural, and technological integration.
- **Business Impact:** Both opportunities and challenges of globalisation.
- **Balancing Act:** Managing global and local business needs effectively.
- **Real-world examples** of globalisation's impact on businesses.



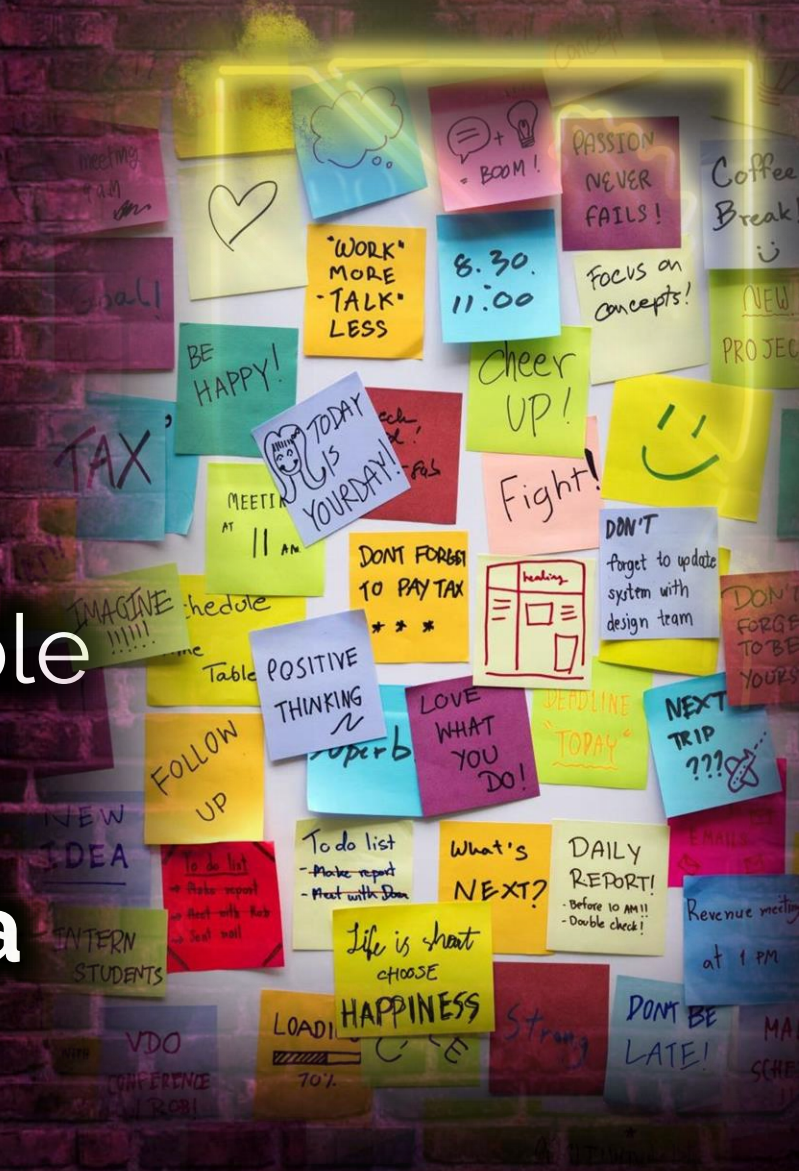
Summary of Today's Session

Key Takeaways

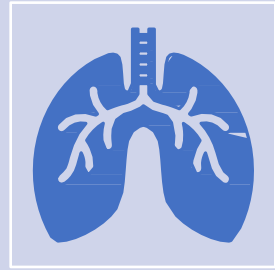
Concept Integration: How different factors interconnect in business environments.

Economic Understanding: Its critical role in strategic business planning.

Task: Conduct a PESTLE analysis on a major UK company or institution



Thank you



TASK TO BE COMPLETED AND SENT TO ME
(C.ROGERS@UWTSD.AC.UK) BY COP ON
FRIDAY

NEXT LECTURE FEB 6TH AT 1:30PM