

Business Environment

Learning out come will see students being able to :

- A. C. .4.2- Analyse the impact of global factors on UK business organisations.

Global Factors and UK Business

- Legal
- Political
- Social
- Technological
- Economical
- Environmental

Legal

- These factors that influence business strategies are related to changes in government laws and regulations. For a successful business operation it is important that the businesses consider the legal issues involved in a particular situation and should have the capability to anticipate ways in which changes in laws will affect the way they must behave. Laws keep changing over a period of time. From the point of view of business it is important that they are aware of these changes in the areas of consumer protection legislation, environmental legislation, health & safety and employment law.(essay.uk.com)
- I.E laws relating to the importation of products that might affect your production. (get examples)

Political

This refers to the changes in government and government policies. Political factors greatly influence the operation of business. This has gained significant importance off late. For example: companies operating in the European Union have to adopt directives and regulations created by the EU. The political arena has a huge influence upon the regulation of businesses, and the spending power of consumers and other businesses. Business must consider the stability of the political environment, government's policy on the economy.(essay.uk.com)

.ie – how change of government and policies can change business operations- look at Jamaica's transport sector- new minister has again tabled rail transportation, so direction and focus changes with politics

Social

- These factors are related to changes in social structures. These factors provide insights into behaviour, tastes, and lifestyles patterns of a population. Buying patterns are greatly influenced by the changes in the structure of the population, and in consumer lifestyles. Age, gender, etc all determine the buying patterns and understanding of such changes is critical for developing strategies which are in line with the market situations. In a global environment it is important that business strategies are designed keeping in mind the social and cultural differences that vary from country to country. Consumer religion, language, lifestyle patterns are all important information for successful business management. (essay.uk.com)
- I.e absolutely important as this factor steers supply and demand it picks up on trends and directs business focus as business engage and seek to capture market

Technology

- These factors greatly influence business strategies as they provide opportunities for businesses to adopt new innovations, and inventions. This helps the business to reduce costs and develop new products. With the advent of modern communication technologies, technological factors have gained great impetus in the business arena. . Huge volumes of information can be securely shared by means of databases thereby enabling vast cost reductions, and improvements in service. Organisations need to consider the latest relevant technological advancements for their business and to stay competitive. Technology helps business to gain competitive advantage, and is a major driver of globalization. While designing the business strategies firms must consider if use of technology will allow the firm to manufacture products and services at a lower cost. Firms can select new modes of distributions with the help of technology. It has become easier for companies to communicate with their customer in any part of the world.(essay.uk.com)

Economic

These factors involve changes in the global economy. A rise in living standards would ultimately imply an increase in demand for products thereby, providing greater opportunities for businesses to make profits. An economy witnesses fluctuations in economic activities. This would imply that in case of a rise in economic activity the demand of the product will increase and hence the price will increase. In case of reduction in demand the prices will go down. Business strategies should be developed keeping in mind these fluctuations. Other economic changes that affect business include changes in the interest rate, wage rates, and the rate of inflation. In case of low interest rates and increase in demand Businesses will be encouraged to expand and take risks. Therefore, business strategies should have room for such fluctuations. (essay.uk.com)

reference

- Essayuk.com (2016)- national culture {Online}
Available at :<http://www.essayuk> - accessed March 3, 2016