


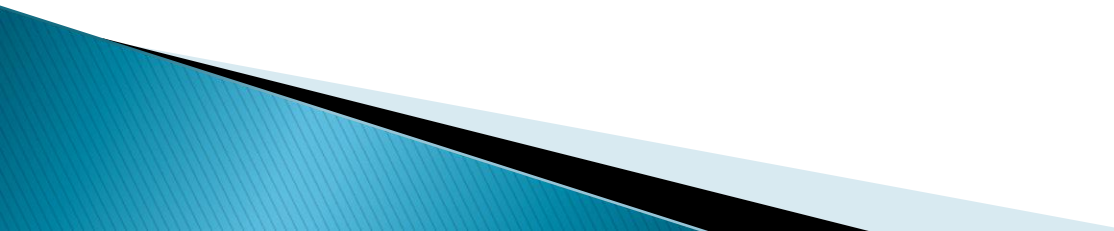
# BBA 6<sup>th</sup> Sem Business Policy


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# What is environment

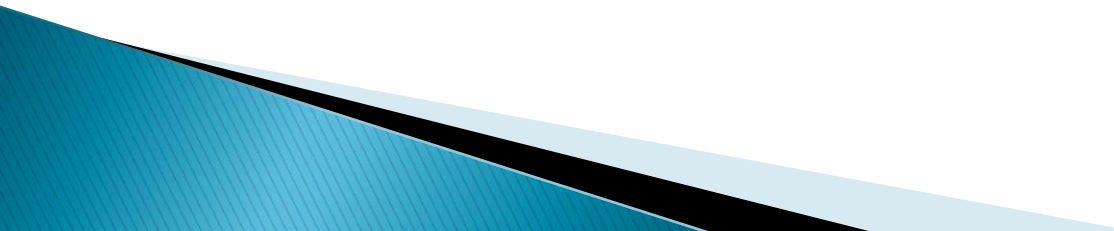
- ▶ Environment means the surroundings, external
  - ▶ objects, influences or circumstances under which
  - ▶ someone or something exists.
  - ▶ □ The environment of any organization is the aggregate
  - ▶ of all conditions, events and influences that surround
  - ▶ and affect it
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# Characteristics of environment

- ▶ **Environment is complex:**
  - ▶ The environment consist of number of factors, events, conditions and influences arising from different sources. All these do not exist in isolation but interact with each other to create an entirely new set of Influences
  - ▶ **Environment is dynamic:**
  - ▶ The environment is consistently changing in nature. Due to many and varied influence operating, there is dynamism in the environment causing it to continuously change its shape and character.
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- ▶ **Environment is multi faceted:**
  - ▶ What shape and character an environment assumes depends on perception of observer. A particular change in environment or a new development may be viewed differently by different observers.
  - ▶ Environment has a far reaching impact on organizations. The growth and profitability of an organization depends critically on environment in which it exists. Any environmental change has an impact on organization in several different ways.
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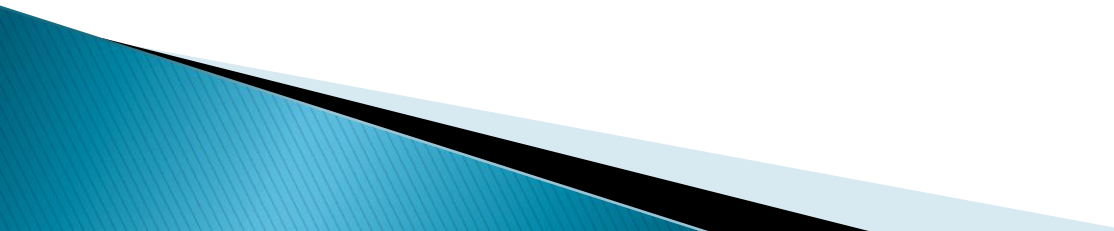
# Types of Business Environment

- ▶ Internal Environment
    - ▶ 1. Structure
    - ▶ 2. Operation procedure
    - ▶ 3. Finance
    - ▶ 4. Human resource
    - ▶ 5. Marketing approach
    - ▶ 6. R & D etc.
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- ▶ External Environment
  - ▶ 1. Micro
  - ▶ Shareholders
  - ▶ Employees
  - ▶ Suppliers
  - ▶ Banks
  - ▶ Customers
  - ▶ Distribution channels
  - ▶ 2. Macro
  - ▶ Socio cultural
  - ▶ Technological
  - ▶ Economic
  - ▶ Political
  - ▶ International etc
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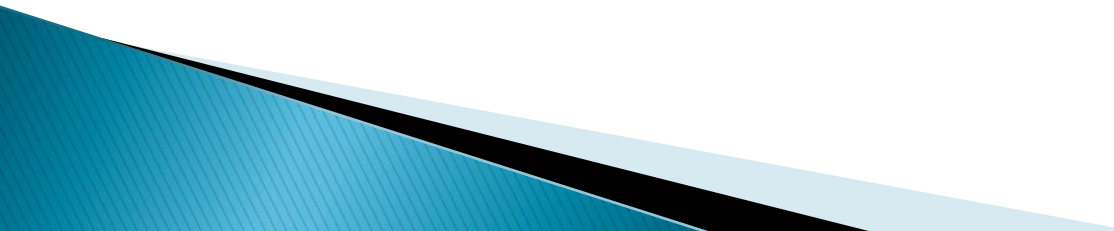
# Environmental sectors

- ▶ 1. Economic environment
  - ▶ 2. International Environment
  - ▶ 3. Market Environment
  - ▶ 4. Political Environment
  - ▶ 5. Regulatory Environment
  - ▶ 6. Socio Cultural Environment
  - ▶ 7. Supplier Environment
  - ▶ 8. Technological Environment
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- ▶ **Environmental scanning**
  - ▶ Environmental scanning can be defined as process by which organizations monitor their relevant environment to identify opportunities and threats affecting their business for purpose of taking strategic decisions
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# Factors to be considered for scanning

- ▶ The external environment in which an organization exists consists of a bewildering variety of factors.
  - ▶ These are as below:
  - ▶ **1. Events** are important and specific occurrences taking place in different environmental sectors
  - ▶ **2. Trends** are general tendencies or the courses action along which events take place
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- ▶ **3. Issues** are current concerns that arise in response to events and trends.
  - ▶ **4. Expectations** are demands made by interested groups in light of their concern for issues
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