BBA 6th sem Business Policy

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Approaches to environmental scanning

Kubr has suggested three approaches which could be adopted for sorting out information for environmental scanning.

These three approaches are:-

- Systematic approaches
- Ad hoc approach
- Processed-form approach

Systematic Approach

Under this approach, information for environmental scanning is collected systematically. Information related to markets and customers, changes in legislation and regulations that have a direct impact on organizations activities etc. It could be collected continuously to monitor changes and take the relevant factors into account. Continuously updating such information is necessary not only for strategic management but also for operational activities

Adhoc Approach

Using this approach an organization may conduct special service and studies to deal with specific environmental issues from time to time. Such studies may be conducted for instance when an organization has to undertake special project, evaluate existing strategies or devise new strategies.

Processed-Form Approach

For adopting this approach the organization uses information in processed form, available from different sources both inside and outside the organization. When an organization uses information supplied by Govt. agencies or private institutions, it uses secondary source of data and the information is available in processed form.

- Environmental Appraisal is the process of identifying opportunities and threats facing an organization.
- Concept of Environment. Environment. literally means the surroundings, external objects, influences or circumstances under which someone or something exists

Factors affecting environmental appraisal

- Strategist related factors
- Age of the organization
- Size and power of the organizational
- Geographic dimension of the organization
- Type of business
- Influence of business organization
- Volatility of the environment
- Managerial caliber

