

Synopsis

Business environment-aggregate of all the individual,organisations and the forces that lie outside a business enterprise but influence its functioning and performance.

Importance of business environment-First mover advantage,early warning signal,customer focus,Strategy formulation,coping with change,public image,continuous learning.

Dimensions of business environment:

Micro environment-Internal Factors-Corporate culture,mission and objectives,top management structure,power structure,company image and brand equity,human and other resouces.

External factors-Customers,competitors,suppliers,marketing intermediaries,financers,publics.

Macro environment-Economic,social,technological,political and legal forces.

SWOT Analysis- Strengths,weaknesses,oppurtunities and threats.

Worksheet

Short Questions :

1. Define business environment.
2. State two components of social environment.

Long Questions :

1. Explain three external factors of micro environment.
2. Explain SWOT analysis.

Exercises :

1. What is micro environment ?
2. Explain the importance of business environment.