

Topic 2.1 Business environment

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Everything that is external to the company, it is not under business control.

Factors of diverse nature that are not under the control of the firm and affect or could affect to the behaviour business and its performance.

Success requires:

- Adaptate to environment
- Changing it through the strategy

Final objective What factors are relevant?

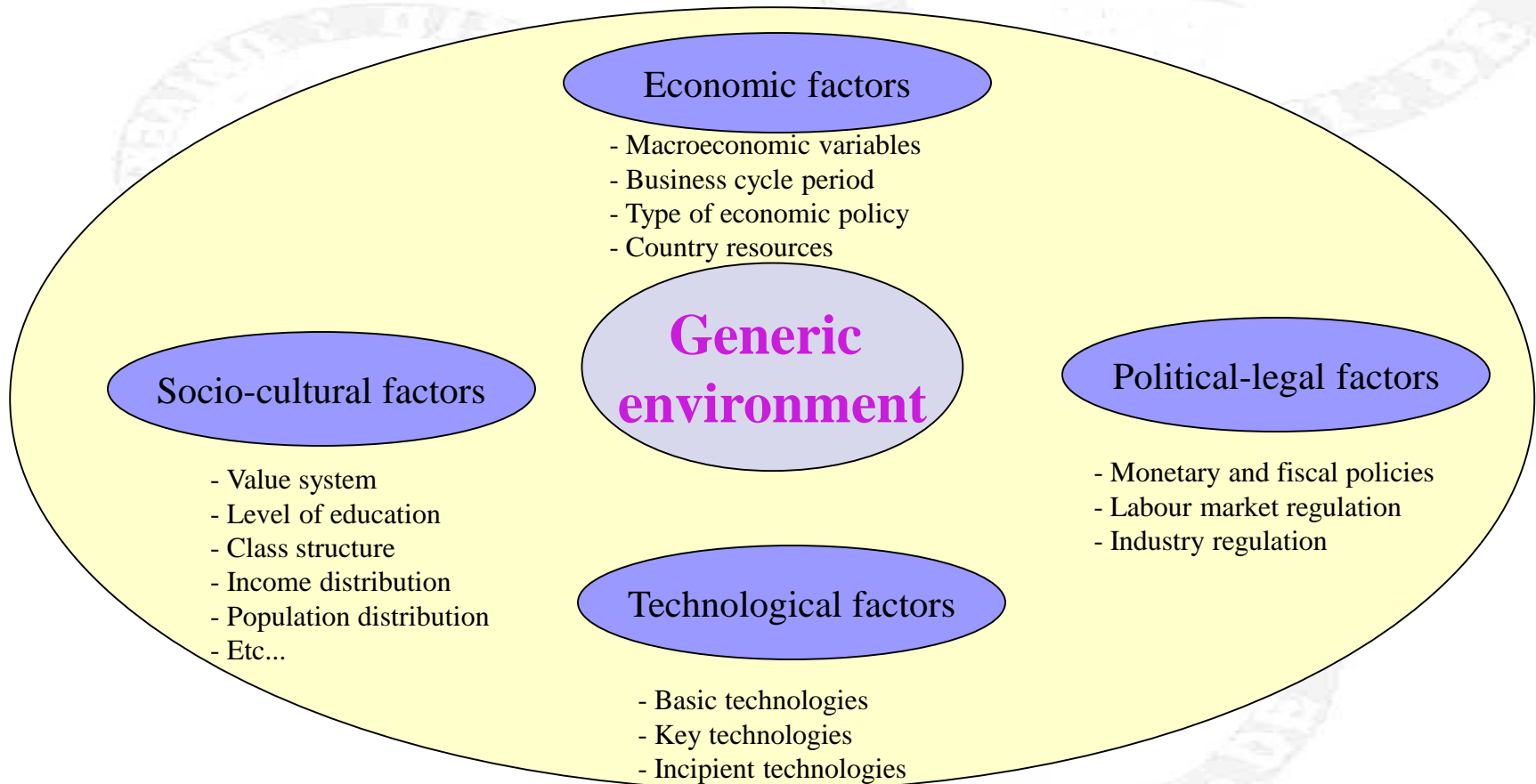
Analysis of **opportunities and threats**



- **Generic Environment** : affect in a similar way to all those companies operating in a given economic space at a given moment or time
 - **Political-legal**
 - **Economic**
 - **Sociocultural**
 - **Technological**
- **Specific or industrial environment**: Part of the environment closest to firms. Variables that affect one or one group of firms in a specific way

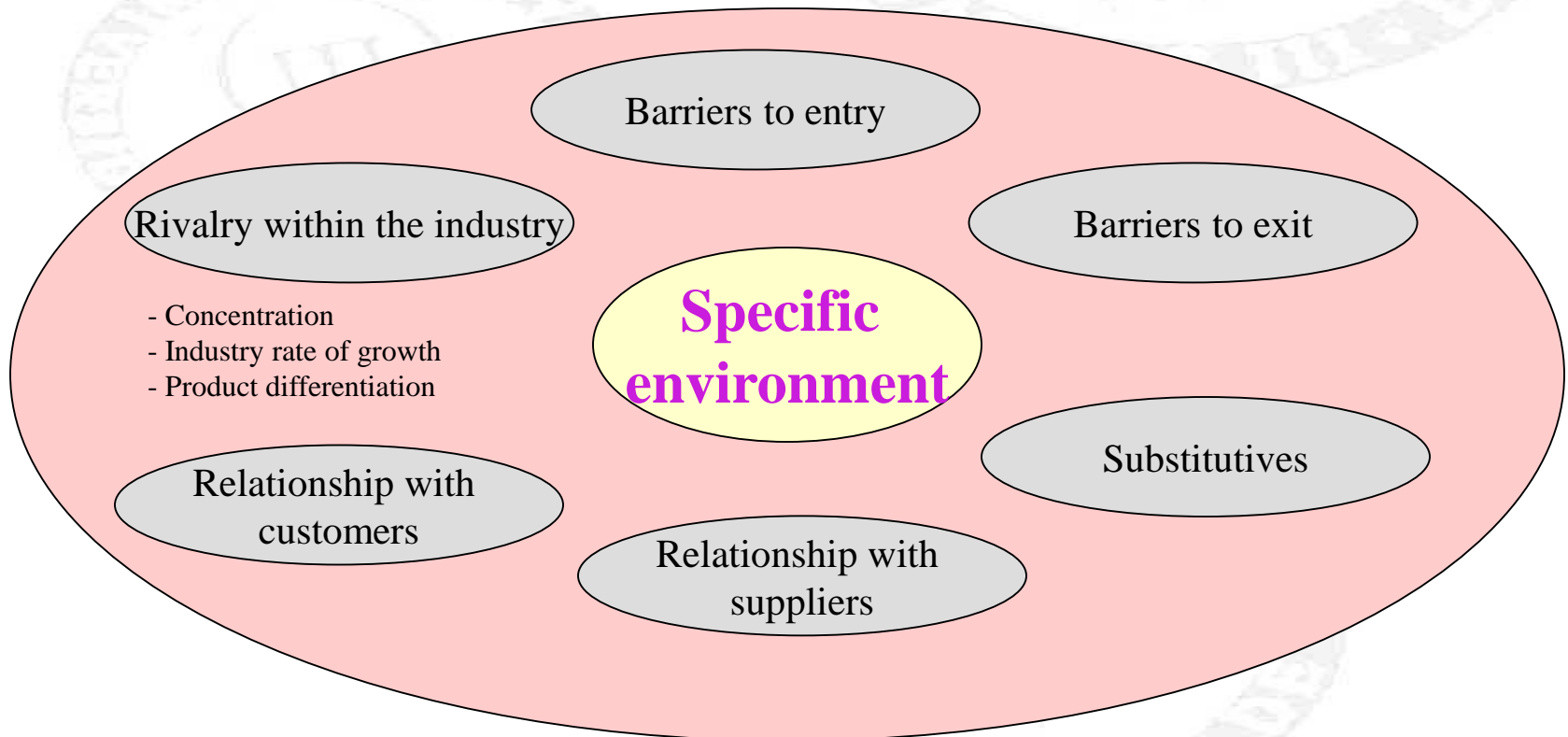


GENERIC ENVIRONMENT



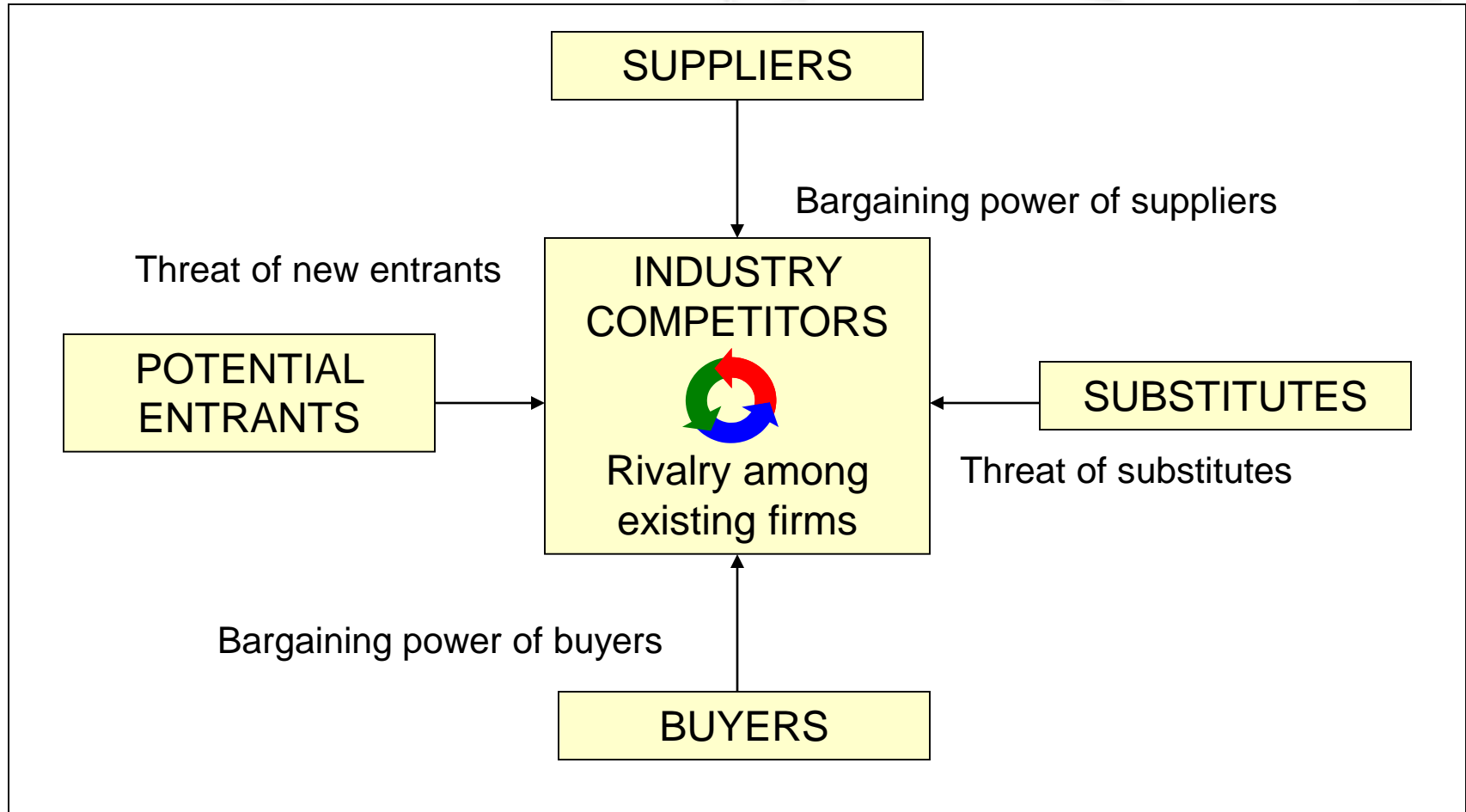


SPECIFIC ENVIRONMENT



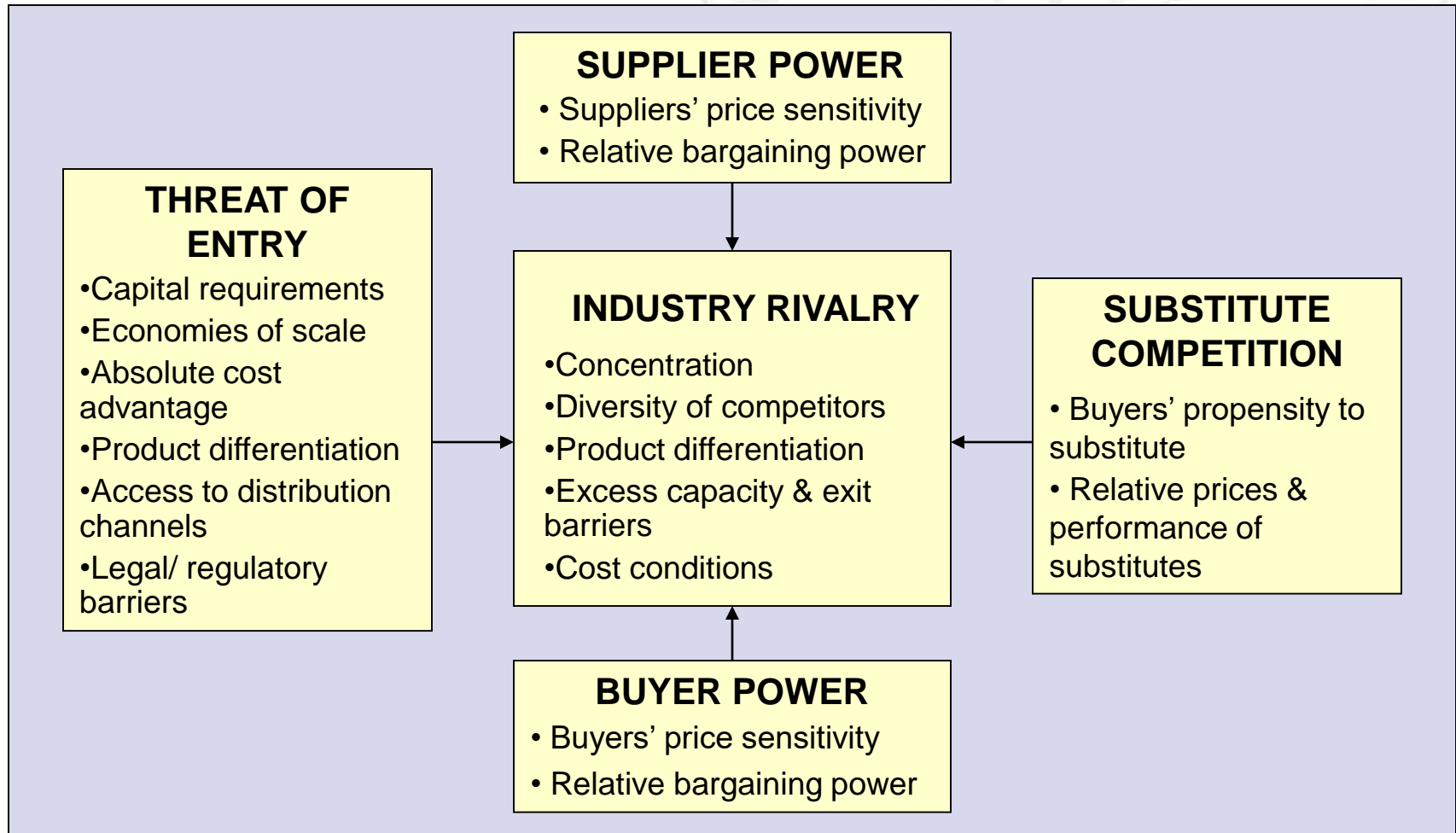


PORTER'S FIVE COMPETITIVE FORCES (Porter, 1982)





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Exercise : The business environment

Generic environment factors affecting companies in Spain:

Economic factors

- Macroeconomic variables
- Business cycle period
- Type of economic policy
- Country resources

Political-legal factors

- Monetary and fiscal policies
- Labour market regulation
- Industry regulation

Technological factors

- Basic technologies
- Key technologies

Socio-cultural factors

- Value system
- Level of education
- Class structure
- Income distribution
- Population distribution
- Etc...