

BUSINESS ENVIRONMENT



DEFINITION

The *definition of business environment* means all of the internal and external factors that affect how the company functions including employees, customers, management, supply and demand and business regulations.

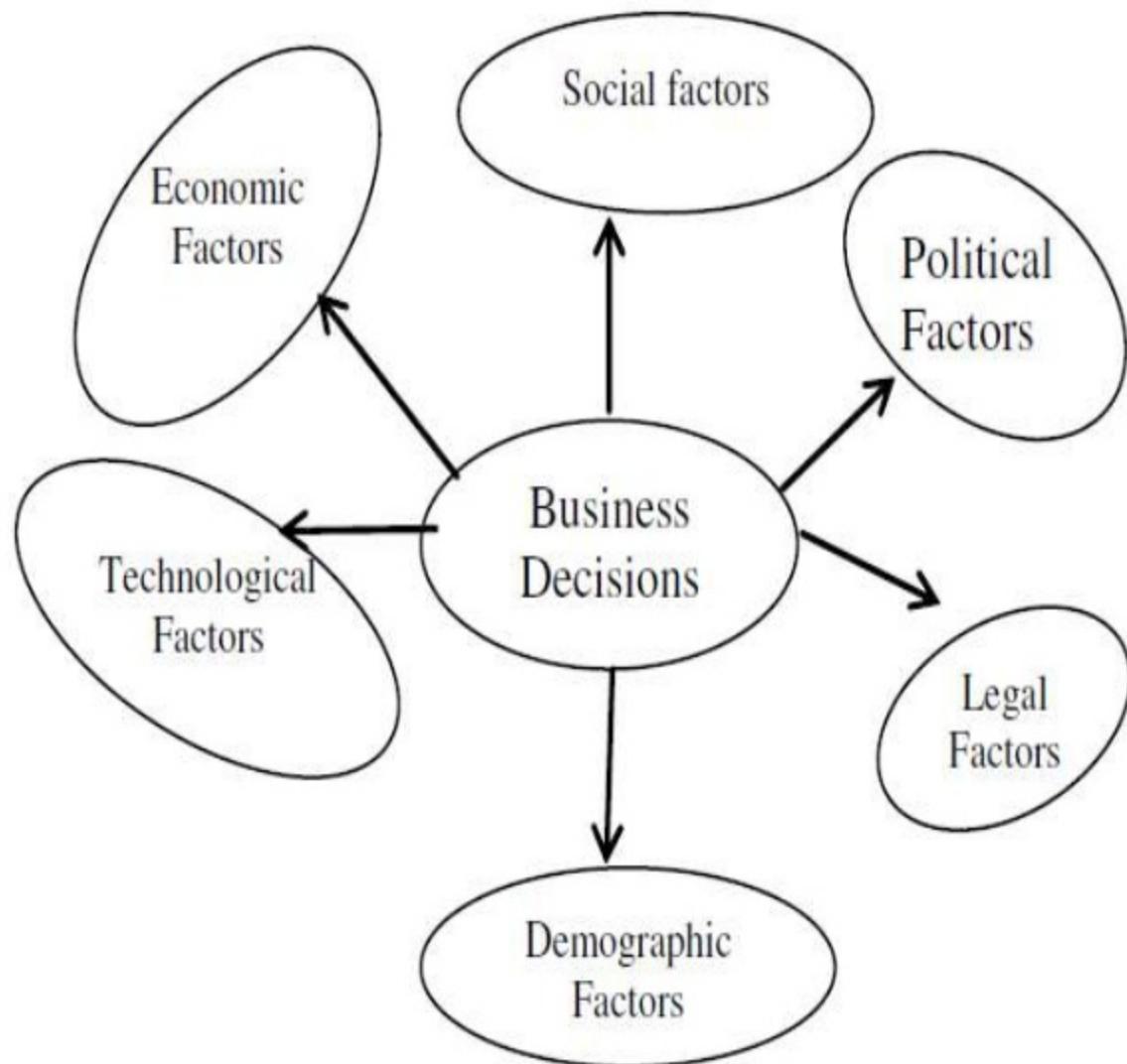


MEANING



The term 'business environment' connotes external forces, factors and institutions that are beyond the control of the business and they affect the functioning of a business enterprise. These include customers, competitors, suppliers, government, and the social, political, legal and technological factors etc.

MEANING



FEATURES OF BUSINESS ENVIRONMENT

- (a) *Business environment is the sum total of all factors external to the business firm and that greatly influence their functioning.*
- (b) *It covers factors and forces like customers, competitors, suppliers, government, and the social, cultural, political, technological and legal conditions.*



FEATURES OF BUSINESS ENVIRONMENT..

- (e) The business environment is dynamic in nature, that means, it keeps on changing.
- (d) The changes in business environment are unpredictable. It is very difficult to predict the exact nature of future happenings and the changes in economic and social environment.
- (e) Business Environment differs from place to place, region to region and country to country. Political conditions in India differ from those in Pakistan. Taste and values cherished by people in India and China vary considerably.



CHARACTERISTICS OF INDIAN BUSINESS



IMPORTANCE OF BUSINESS

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- (a) **Determining Opportunities and Threats:** The interaction between the business and its environment would identify opportunities for and threats to the business. It helps the business enterprises for meeting the challenges successfully.
- (b) **Giving Direction for Growth:** The interaction with the environment leads to opening up new frontiers of growth for the business firms. It enables the business to identify the areas for growth and expansion of their activities.
- (c) **Continuous Learning:** Environmental analysis makes the task of managers easier in dealing with business challenges. The managers are motivated to continuously update their knowledge, understanding and skills to meet the predicted changes in realm of business.

IMPORTANCE..



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- (d) Image Building: Environmental understanding helps the business organisations in improving their image by showing their sensitivity to the environment within which they are working. For example, in view of the shortage of power, many companies have set up Captive Power Plants (CPP) in their factories to meet their own requirement of power.
- (e) Meeting Competition: It helps the firms to analyse the competitors' strategies and formulate their own strategies accordingly.
- (f) Identifying Firm's Strength and Weakness: Business environment helps to identify the individual strengths and weaknesses in view of the technological and global developments.

OBJECTIVES

Every business enterprise has certain objectives which regulate and generate its activities. Objectives are needed in every area where performance and results directly affect survival and prosperity of a business.

The vision of Infosys -
"To be globally respected corporation that provides best-of-breed business solutions, leveraging technology, vendors and society at large."



Robosoft Technologies



is an Indian information technology company which provides software product development services. Robosoft was founded in 1996 by Rohith Bhat, who established the company to develop software products for the Mac market.

The company's Corporate Office is located in Santhekatte near Udupi on National Highway 66.

ROBOSOFT TECHNOLOGIES

VISION

*Creating memorable products
for the world market by
attracting and empowering
the best minds*

MISSION

*To consistently win best-of-
show and best-of-class
awards for our products*

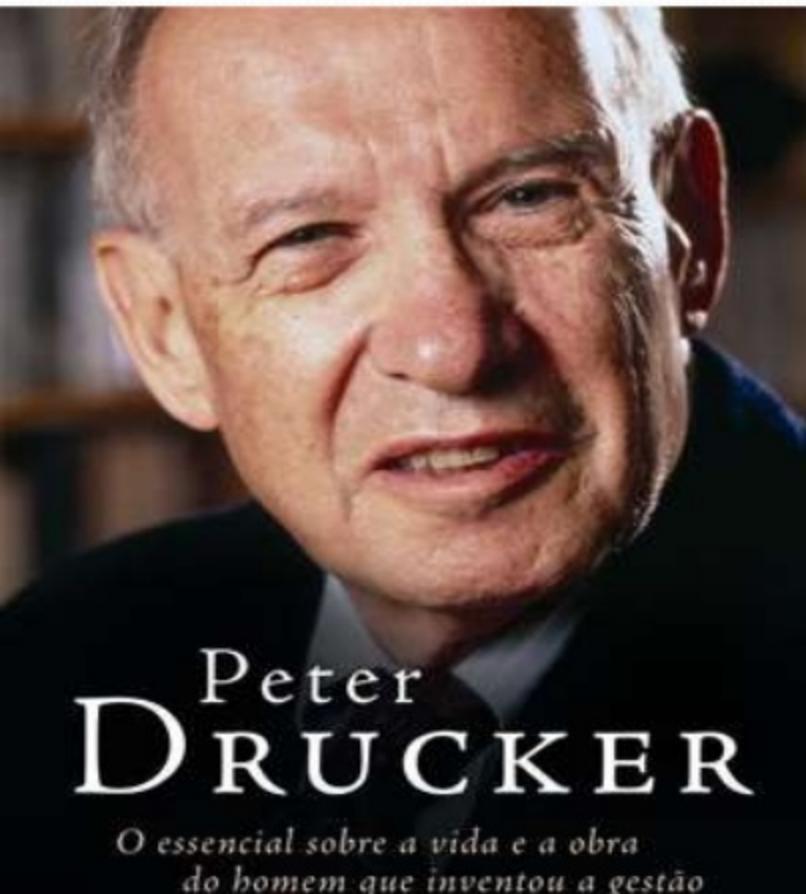
PURPOSE

*To artistically design,
professionally develop,
attentively test software &
hardware products to make
them easily accessible to
millions of consumers which,
in turn, will give the best to
our people & customers*



1. Economic Objectives

Business is basically an economic activity. Therefore, its primary objectives are economic in nature. The main economic objectives of business are as follows



Peter
DRUCKER

O essencial sobre a vida e a obra
do homem que inventou a gestão

- (i) *Earning profits*
- (ii) *Creating customers*
- (iii) *Innovations*



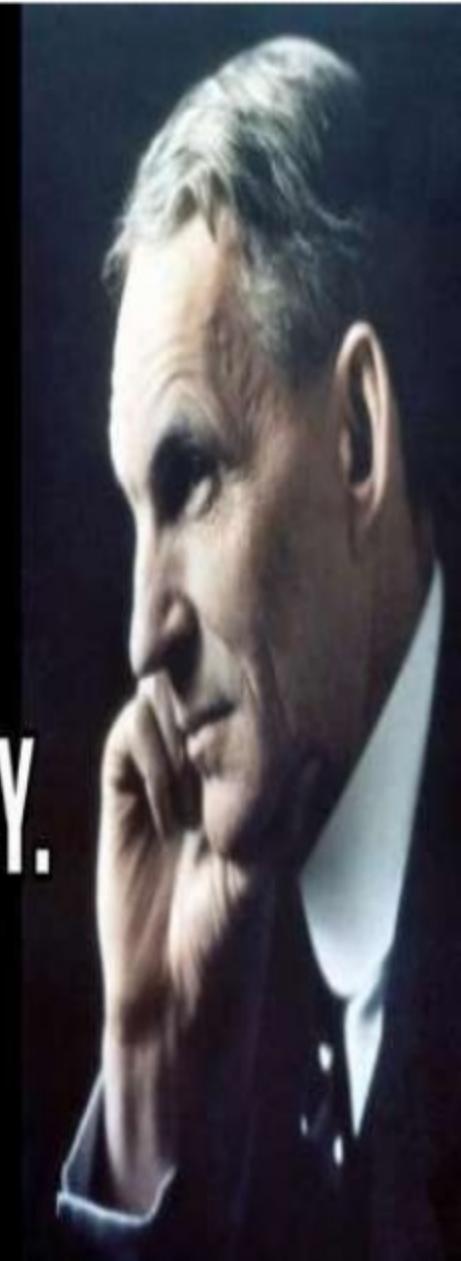
2. Social objectives

Business does not exist in a vacuum. It is a part of society. It cannot survive and grow without the support of society. Business must therefore discharge social responsibilities in addition to earning profits.

According to Henry Ford, "the primary aim of business should be service and subsidiary aim should be earning of profit." The socials objectives of business are

FAILURE IS THE
OPPORTUNITY
TO BEGIN AGAIN
MORE INTELLIGENTLY.

~ Henry Ford



SOCIAL OBJECTIVES..



- *Supplying desired goods at reasonable prices*
- *Fair Remuneration to employees*
- *Employment Generation*
- *Fair return to investor*
- *Social welfare*

3.HUMAN OBJECTIVES

Business is run by people and for people. Labour is a valuable human element in business. Human objectives of business are concerned with the well-being of labour. These objectives help in achieving economic and social objectives of business



HUMAN OBJECTIVES..



- Labour welfare*
- Developing human resources*
- Participative management*
- Labour management cooperation*

BUSINESS OBJECTIVES



LIMITATIONS



- Unexpected and unanticipated events**
- No sufficient guarantee**
- Uncritical Faith**
- Too much information**

BUSINESS ENVIRONMENT

TYPES

INTERNAL ENVIRONMENT

1. Promoters'/ Shareholders' values
2. Mission/Objectives
3. Management structure/nature
4. Internal power relationship
5. Co. image/ Brand equity
6. Physical assets/facilities
7. R&D and technological capabilities
8. Human resources
9. Marketing capabilities

MICRO (TASK/OPERATING) ENVIRONMENT

1. Customers
2. Suppliers
3. Competitors
4. Publics
5. Financiers
6. Marketing intermediaries

EXTERNAL ENVIRONMENT

MACRO (GENERAL/REMOTE) ENVIRONMENT

1. Economic factors
2. Social/ Cultural factors
3. Demographic factors
4. Political/ Govt. factors
5. Natural factors
6. Technological factors
7. Global factors

Small business types



Sole traders



Partnerships



Limited companies