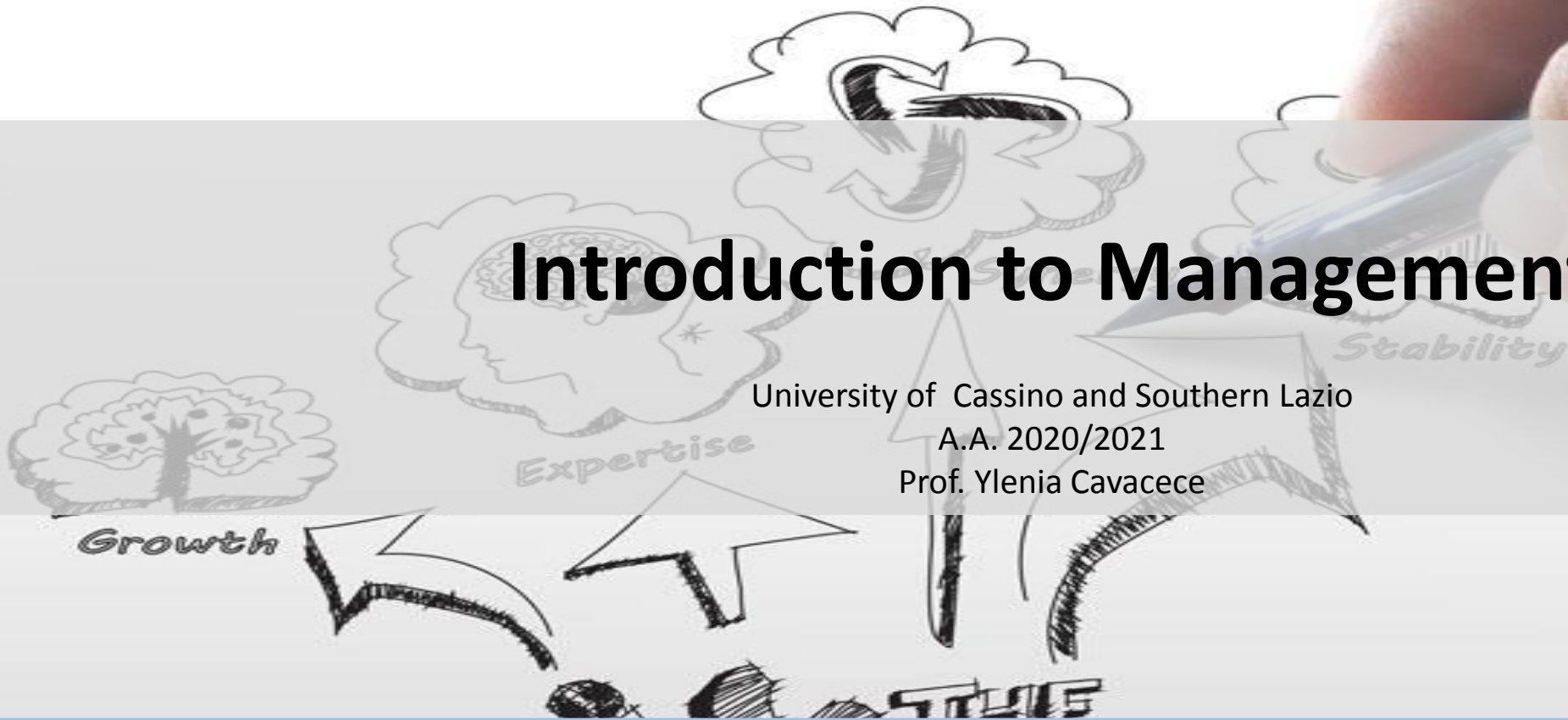


Introduction to Management

University of Cassino and Southern Lazio
A.A. 2020/2021
Prof. Ylenia Cavacece



Pestel Analysis



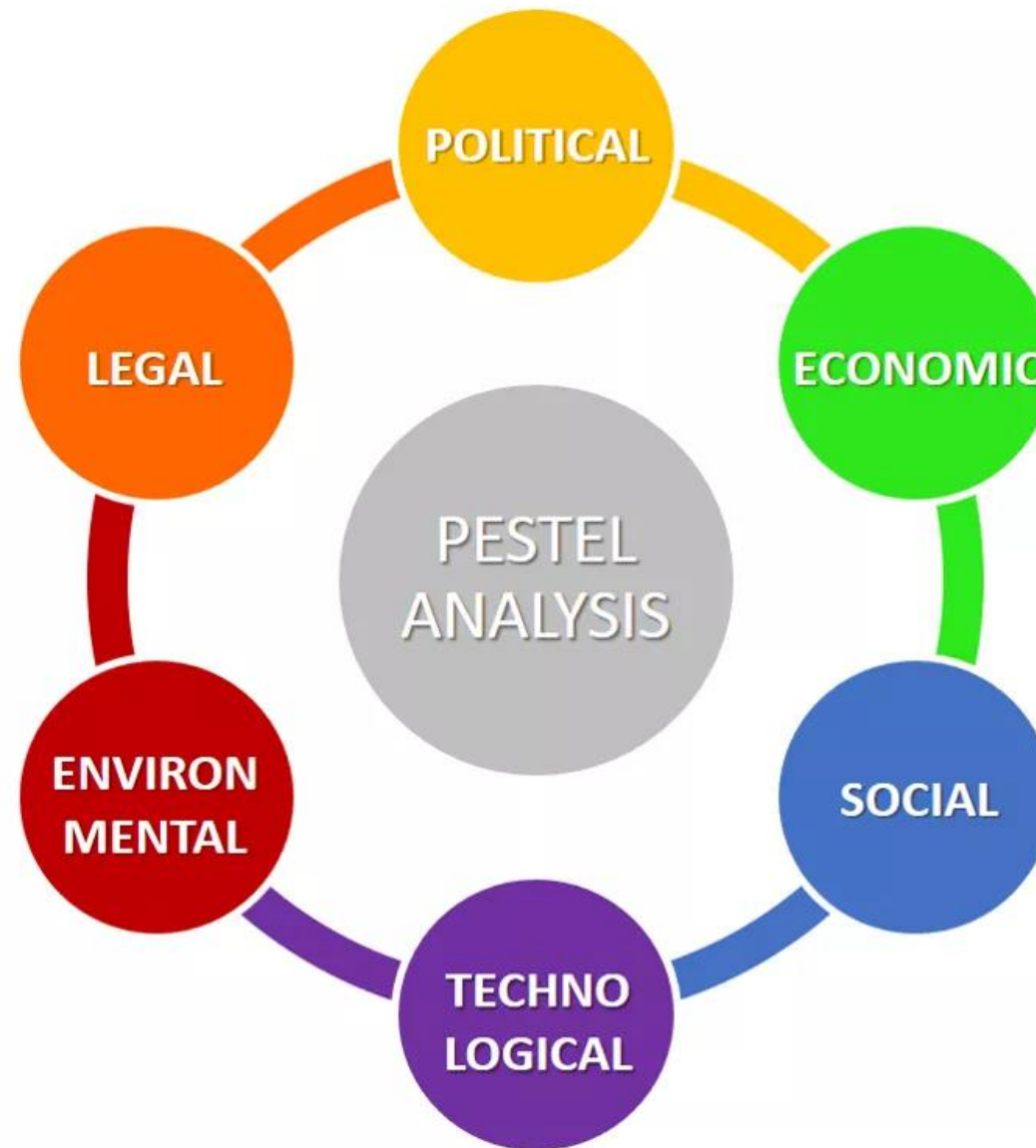
Business Environment



Micro & MacroEnvironment

BASIS FOR COMPARISON	MICRO ENVIRONMENT	MACRO ENVIRONMENT
Meaning	Micro environment is defined as the nearby environment, under which the firm operates.	Macro environment refers to the general environment, that can affect the working of all business enterprises.
Elements	COSMIC, i.e. Competitors, Organization itself, Suppliers, Market, Intermediaries and Customers.	PESTLE, i.e. Population & Demographic, Economic, Socio-Cultural, Technological, Legal & Political and Environmental.
Nature of elements	Specific	General
Are these factors controllable?	Yes	No
Influence	Directly and Regularly	Indirectly and Distantly

Pestel Analysis



P

- Government policy
- Political stability
- Corruption
- Foreign trade policy
- Tax policy
- Labour law
- Trade restrictions

E

- Economic growth
- Exchange rates
- Interest rates
- Inflation rates
- Disposable income
- Unemployment rates

S

- Population growth rate
- Age distribution
- Career attitudes
- Safety emphasis
- Health consciousness
- Lifestyle attitudes
- Cultural barriers

T

- Technology incentives
- Level of innovation
- Automation
- R&D activity
- Technological change
- Technological awareness

E

- Weather
- Climate
- Environmental policies
- Climate change
- Pressures from NGO's

L

- Discrimination laws
- Antitrust laws
- Employment laws
- Consumer protection laws
- Copyright and patent laws
- Health and safety laws



PESTLE ANALYSIS OF UBER

Leading Shared Taxi Service
Provider

Political Factor

- Need to make its stand clear about drivers' insurance.
- Have to follow minimum wage rules.
- Have to have deal with bans in many countries.

Economic Factor

- Easily accessible.
- Affordable fare charges
- Offers jobs opportunities, but pay may not be convincing.

Social Factor

- User friendly
- Quick pick up
- Gives better ride experience than taxis

Tech. Factor

- Excellent mobile app for users
- Using social media and other electronic media well for promotion

Legal Factor

- Need to prevent ban in many countries
- Need to follow labor and employee safety laws well
- Copyright laws need to be looked at as well

Environ. Factor

- Fuel usage may increase
- Traffic congestion is a concern as well



PESTLE ANALYSIS OF NIKE

Famous sports shoes and apparel
manufacturer

Political Factor

- Must consider the taxation and manufacturing rules of each country
- Must follow import and export laws well

Economic Factor

- Must Target customers with good purchasing power
- Developing countries may be good opportunity for Nike

Social Factor

- Need to target health-conscious people
- Shoes and Apparel must be for health-conscious people along with sporty people

Tech. Factors

- Nike uses finest technology
- Constant changes in the technology as well as opportunity as well as threat

Legal Factor

- Must consider the copyrights and designs of shoes and apparel it produces
- Must obey Health and safety rules

Environ. Factor

- Need to come up with environment-friendly products



PESTLE ANALYSIS OF COCA COLA

Popular soft drink producer

Political Factor

- Must follow FDA rules to provide people with right beverages
- Labor, accounting and internal marketing laws must be followed

Economic Factor

- Understands consumers' tastes and preferences
- Most of income is from sell of soft drinks
- Must focus on launching healthy drinks

Social Factor

- Have launched healthy drinks in US
- Need to do the same in the countries such as Japan and China

Tech. Factor

- They use high technology in producing fine products in short time
- Using social media effectively for promotions

Legal Factor

- Coca Cola has done well in securing all the rights of their business

Environ. Factor

- Must operate in an area where is no shortage of water



PESTLE ANALYSIS OF ADIDAS

Top sports and apparel
manufacturer

Political Factor

- Adidas focuses war, terrorism
- and nationalization much

Economic Factor

- Inflation, per capita income, unemployment and taxation affect its profits
- Must consider the purchasing power of the people

Social Factor

- Adidas shoes and apparel designs meet the latest trends
- It is rightly focused on the sporty and athletic customers
- Must promote its products in Islamic countries

Tech. Factor

- Adidas uses its own technology to manufacture the products
- Using its online sites well to sell the products

Legal Factor

- Must not get in some legal trouble

Environ. Factor

- Adidas keeps control on the volatile and different organic compounds emissions
- They produce sustainable products



PESTLE ANALYSIS OF APPLE

Renowned electronic device producer

Political Factor

- Apple operates in China
- Political rift between US and china may affect its operations.
- Operating in any other country may be expensive

Economic Factor

- Manufacturing cost will increase if China increases labor costs
- Decline in the middle-class income may decrease Apple's market

Social Factor

- Need to taste success in the areas like Africa
- In the US, black people are also against it as it expensive

Tech. Factor

- Increasing use of smartphones and tablets may decrease the demand of Apple products
- Apple device may seem less secure

Legal Factor

- Apple may start automobile manufacturing. It may increase insurance, regulatory costs and legal proceedings for Apple.

Environ. Factor

- Disposal of nonworking electronic devices is the biggest environmental issue Apple has
- Disposing of the lithium batteries costs high

PESTLE Analysis

2.3 Ryanair's PESTEL analysis

PESTEL analysis for Ryanair assists with producing opportunities or seeing what threats disturb Ryanair's operations in the external environment and what is the situation of the company (Yuksel, 2012). PESTEL consists of political, economic, social, technological, environmental and legal factors, see Appendix A for Ryanair's PESTEL analysis.

Political factors of Ryanair are: regional government's regulation on national employment contracts with Britain and France and taxes, European Union's regulations and restrictions on staff welfare and emission fee interrupts Ryanair's strategy (Ryanair, 2015). For Ryanair all regulations from EU have to be reviewed for Ryanair's strategy in order to evade from negative effects on the airline.

Economic factors follow use of secondary airports to escape from extra costs and charges in the primary airports. If exchange rate and fuel price rises then Ryanair's operation costs go up. Since 2015 Ryanair's growth rate last time was affected enormously in 2008 by economic downturn.

Primary Ryanair's social factors are good relationship with staff, "always getting better programme" created in 2013, public image history of providing bad customer service, new IT hub and Ryanair labs for improving the image or the airline (Ryanair, 2015).

Main technological factors are use of internet, online check-in saves time for customers, new improved website without no more of unfair advertisement and new aircraft model contributes to cut emission and cost charges.

Most important environmental and legal factors consist of harsh CO2 management, lower emissions and noise due to new aircraft model, bad working conditions and violation of media have implications on law. Also, acquisition of Aer Lingus was rejected more than three times by UKOFT and EC (Ryanair, 2015).

MicroEnvironment

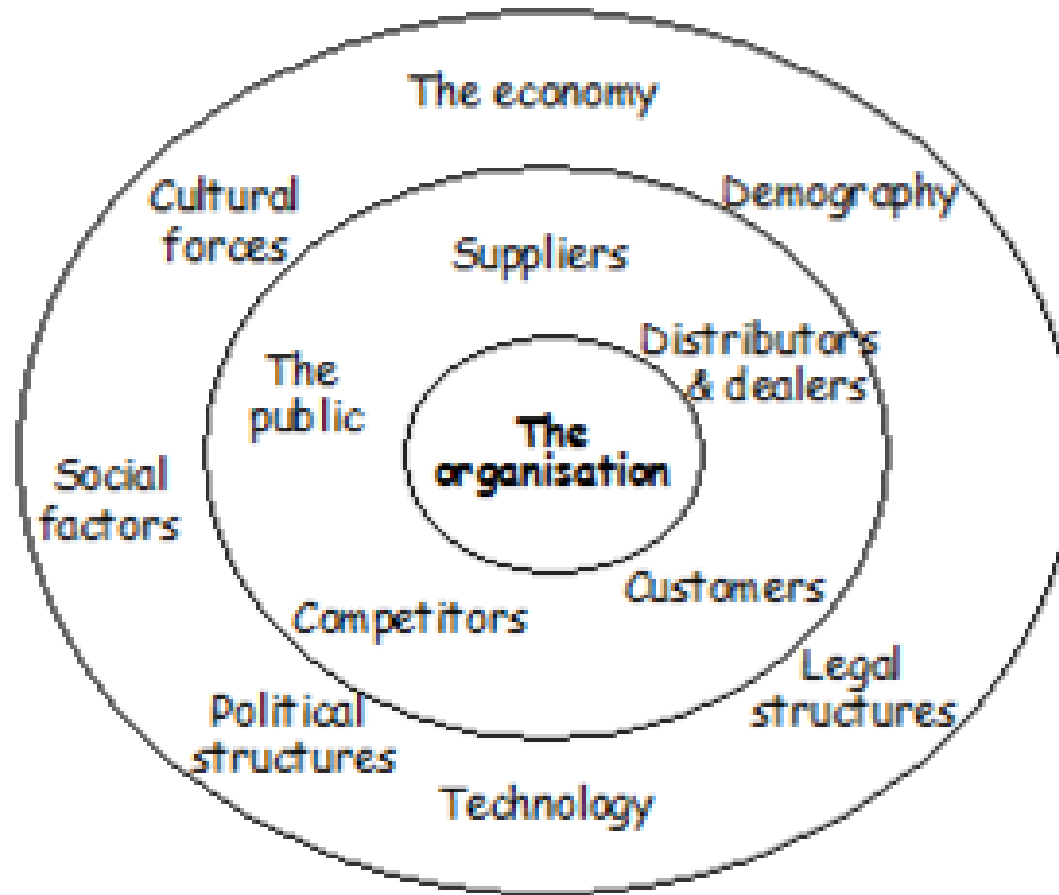
Suppliers: are individuals or organisations that provide (supply) an enterprise with the various inputs (such as raw materials, component parts, or employees) required for production.

Distributors: are organizations that help other organizations sell their goods and services to customers.

Customers: are the individuals and groups that buy the goods and services that an enterprise produces.

Competitors: are businesses that produce goods and services that are similar to a particular organisation's goods and services or that are competing for same customers.

Importance of Micro & MacroEnvironment



Market Analysis

Demand analysis: to study the needs of the consumers, what they want, what they buy and how they buy.

Competition analysis: to understand which are the main competitors, what they offer, how they offer it and in which segments they target.



Analysis for sector: companies that belong to the same sector

Analysis for market: companies that are direct to satisfy the same need or that are targeted to the same consumers

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Mission and Vision



Mission and Vision

After analysing the environment, it is very important for the company to define its Mission and Vision statements that summarize the company's goals and objectives.

Both of these serve different purposes for a company but are often confused with each other. While a mission statement describes what a company wants to do now, a vision statement outlines what a company wants to be in the future.

Mission statement

The Mission Statement concentrates on the present; it defines the customer(s), critical processes and it informs about the desired level of performance.

When developing a mission statement, it should be seen that the following questions are answered:

- What do we do today?
- For whom do we do it?
- What is the benefit?

Features of an effective mission statement are:

- ✓ Purpose and values of the organization
- ✓ What business the organization wants to be in (products or services, market) or who are the organization's primary "clients" (stakeholders)
- ✓ What are the responsibilities of the organization towards these "clients"
- ✓ What are the main objectives that support the company in accomplishing its mission

Vision statement

The Vision Statement focuses on the future.

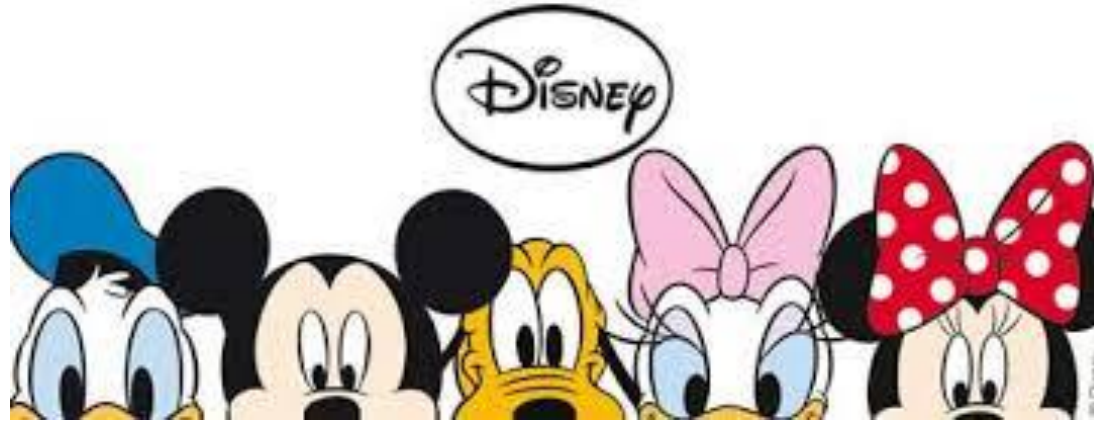
It should set out the ideal destination- where the organisation wants to be.

It should be challenging, innovative and forward-looking. The vision should be motivating and enable staff, volunteers and others to see how their effort contributes to an overall inspirational purpose.

- The mission statement guides the day-to-day operations and decision-making of the organization. It helps members of the organization get on the same page on what they should do and how they should do it.
- The vision statement is, in a sense, loftier. It outlines the worldview of the organization and why it exists. It attracts people — not just employees but also customers and vendors — who believe in the vision of the organization.

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Vision and Mission examples



VISION

To make people happy.

MISSION

to be one of the world's leading producers and providers of entertainment and information by developing the most creative, innovative and profitable entertainment experiences and related products in the world.

Vision and Mission examples



VISION

to provide access to the world's information in one click

MISSION

to organize the world's information and make it universally accessible and useful.

Vision and Mission examples



VISION

To help people around the world realize their full potential.

MISSION

Empower people through great software anytime, anyplace, and on any device.

Vision and Mission examples



VISION

“To create a better everyday life for the many people”

MISSION

To offer a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them.

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