

# [Global pharmaceutical assignment](https://assignbuster.com/global-pharmaceutical-assignment/)

At this paper we study the case of E- shop, a private company in Greece, illustrating the reasons why a company should work on pest framework. Pest analysis case study E-shop Jell Classification: The author would like to dedicate this paper to Mr.. David Scott and his family. MIM MIM 2013 Into. J. Con. Manage. Soc. Sic. All rights reserved for TTL Journals. Introduction In the new economic environment that has emerged as an impact of the recent ‘ crisis’, the complexity of each industry forms a demanding context that affects consistently both the internal and external environment of organizations.

As a result, the majority of the firms need to maintain their competitive advantage. However, a firm have to constantly increase the value of their products offered to clients in order to sustain their competitive advantage (Barney, 2008), as well as being profitable in order to exist (Egan, 1998). The industries can be described as a set of external and internal environment so, every firm is affected by external environment such as the market, client, etc and the internal environment including the employees of the firm, contractors, sub-contractors, suppliers etc. Kelly and Bowels, 2006). The key research question is to investigate what are the forces affecting the organization’s macro business context. The purpose of the study is practical and will be conducted in order to examine the forces affecting the organization’s macro business environment. For confidentiality reasons, the real name of the company will not be mentioned. ‘ A’ company will be the pseudo name. The results of the study will provide an insight for ‘ A’ company’s external environment.

In the second chapter of the study which is concerned with the literature review a bibliography research including books and up o day Journals, will be carried out in which definitions and theories of change and change management on internal and external environment will be investigated. The third chapter of the study will investigate the methodology to present the firm. A case study will be investigated through this company. In the conclusion, the results that will be produced from the research and bibliography search will be developing.

Afterwards, a list of references is indicated, including all books, up to date science papers and websites that were used in this assignment. 2. Literature review The sales of computers towards the Greek market are collapsing for the last three months of 2011. During the Christmas Holidays period, which usually is the higher in sales, 191. 578 pieces were sold, while last year 293. 182 pieces were sold. The sales are reduced by 34. 7%. The local PC’s market situation is obvious by regarding the sales of information systems towards the corporations.

The information systems in the past were the development engine of the sector, while today are the break. During the last four months of 2011, 69, 000 computers were sold for professional reposes versus 119, 000 computers during the last four months of 2010. The sales decrease was 41%. The end users market showed greater degree of resistance, as the sales were decreased by 30%. The numbers of this category were 212, 000 computers during the last four months of 2011 compared to 173, 000 computers during the last four months of 2010.

Regarding the level of corporate sales for desktop PC’s, with respect to the sales of the information systems, it has been decreased by 38%, from 88, 000 last four months 2010, to 54, 000 pieces last four months 2011. Regarding the bevel of corporate sales for lap tops, it has been decreased by 33%, from 205, 000 pieces last four months 2010 to 137, 000 last four months 2011 3. Change Usually, problems within the companies are a result of lack of relationship and contact between clients (Wilkinson, 2001).

Clients are lacking knowledge as they do not have awareness of the full range of activities, neither do they understand the real limits (Wallace, 2005). \* Corresponding author. Email address:[email protected]Com 32 Into orientation Journal of Economy, Man GE meant and Socio al Sic incense , 2(2) February 013 According to a research by Cumming (1998) (as cited in Reed and Baklava, 2006) a company must be able to make changes in order for an organization to continue exist.

Furthermore, Taylor and Cooper (2007)argue that in order for an organization to be successful, an effective management is required to control the forces of change. Furthermore, the development in the economy in our days, does not allow any company to relax, but in contrast it requires speed, flexibility to decision making and paying attention to the management of any change. It is true that changes that are tot managed effectively have as a result to increase the cost of the company, discourage skilful employees and negatively confronting any new effort for change.

All these reasons highlight the significance of making change management. The main types of changes are: “ client dissatisfaction with service provided, declining quality standards, poor financial returns and largesse unemployment amongst professionals in construction” (Handle and Reliable, 1998, p. 1 53). Factors that make difficult change management as Matheson 2002, pop) states are “ internal factors, lack f credibility, secrecy, lack of proper skills, lack of resources, lack of strategy, tendency to oversimplify, power and politics and that people are reluctant to change”.

A company must have courage and clear mind to change and try new efforts. (Management today, 2011). The 21st century leaded to many changes in the computer industries as mass production and standardization products have been replaced by flexibility and customization. This can be proved as techno-economic rationale has replaced the energy or material intensive product with information intensive. Also, global development has also changed as new works are created and he global market place is increased.

The fast changes of technology, society and economy environment bring new challenges for organizations to develop new structure and management process. N the economic environment, the old hierarchal organization is coping with a new world order with permeable geopolitical boundaries. These changes lead organizations to manage in various ways in order to continuous living in the new environment. In order to face changes, management in the 21st century is founded on networks, partnering and on technological advance oat-nail, 2005). . PEST Analysts In analyzing the macro-environment of an organization, it is important to identify the factors that might in turn affect a number of vital variables that are likely to influence the organization’s supply and demand levels and its costs Monsoons and Schools, 1993). The analysis examines the impact of each of the factors on the business. The results can be used to take advantage of opportunities and to make contingency plans for threats when preparing business and strategic plans (Bars, 1991).

Kettle (1998) claims that P. E. S. T analysis is a useful strategic tool for understanding market Roth or decline, business position, potential and direction for operations. The use of P. E. S. T. Analysis can be seen effective for business and strategic planning, marketing planning, business and product development and research reports. P. E. S. T. Also ensures that company’s performance is aligned positively with the powerful forces of change that are affecting business environment (Porter, 1985).

Main Aspects of PEST Analysis Economic conditions affect how easy or how difficult it is to be successful and profitable at any time because they affect both capital availability and cost, and emend (Thompson, 2002). If demand is buyout, for example, and the cost of capital is low, it will be attractive for firms to invest and grow with expectations of being profitable. In opposite circumstances firms might find that profitability throughout the industry is low. The timing and relative success of particular strategies can be influences by economic conditions.

When the economy, as a whole or certain sectors of the economy, are growing, demand may exist for a product or service which would not be in demand in more depressed circumstances. Similarity, the opportunity to exploit a particular strategy successfully may depend on demand which exists Internet tonal Sour anal of Economy, Man GE meant and Social Sciences , 2(2) February in growth conditions and does not in recession. Although a depressed economy will generally be a treat which results in a number of organizations going out of business, it can provide opportunities for some (Thompson, 2002).

Economic conditions are influenced by political and government policy, being a major influence affecting government decisions. The issue of whether European countries Join, or remain outside, the single European currency is a case in point. At any one time either exported or imported goods can seem expensive or inexpensive, dependent upon currency exchange rates. There are many other ways, however, in which government decisions will affect organizations both directly and indirectly, as they provide both opportunities and threats.

While economic conditions and government policy are closely related, they both influence a number of other environmental forces that can affect organizations. Capital markets determine the conditions for alternative types of funding for organizations. They tend to be a subject to government controls, and they ill be guided by the prevailing economic conditions. The rate of interest charged for loans will be affected by inflation and by international economics and, although the determining rate may be fixed by a central bank, which will also be influenced by stated government priorities.

According to Thompson (2002), government spending can increase the money supply and make capital markets more buoyant. The expectations of shareholders with regard to company performance, their willingness to provide more equity funding or their willingness to sell their shares will also be affected. The labor market reflects the availability of particular skills at national and regional levels; this is affected by training, which is influenced by government and other regional agencies. Labor costs will be influenced by inflation and by general trends in other industries, and by the role ad power of trade unions.

The socio-cultural environment encapsulates demand and tastes, which vary with fashion and disposable income, and general changes can again provide both opportunities and threats for particular companies (Thompson, 2002). Over-time most products change from being a novelty to a situation of market saturation, and s this happens pricing and promotion strategies have to change. Similarly, some products and services will sell around the world with little variation, but these are relatively unusual.

Organizations should be aware of demographics changes as the structure of the population by ages, affluence, regions, numbers working and so on can have an important bearing on demand as a whole and on demand for particular products and services. Threats to existing products might be increasing: opportunities for differentiation and market segmentation might be emerging. Technology is widely recognized by various literature on strategic management Capron and Glazer, 1987; Johnson and Schools, 1993; Jan, 2002), as part of the organization and the industry part of the model as it is used for the creation of competitive advantage.

However, technology external to the industry can also be captures and used, and this again can be influenced by government support and encouragement. Technological breakthroughs can create new industries which might prove a threat to existing organizations whose products or services might be rendered redundant, and those firms which might be affected in this way should be alert to the possibility. Equally, new technology could provide a useful input, in both manufacturing and service industries, but in turn its purchase will require funding and possibly employee training before it can be used.

According to Porter (1985)” The essence of formulating competitive strategy is relating a company to its environment” (p. 3) in relation to the industry or industries in which it competes. To assess the market for the business of “ Simply Travel” I will conduct PEST analysis to find out about the Political, Economic, Social and Technological factors in the external macro-environment. PEST analysis identifies the political, economic, social and genealogical factors that influences affecting an industry. Political Factors There are structural changes in Public Administration.

Actions are taken to reduce the budget deficit Non-implementation of electronic governance. Government cutbacks. Political environment of Greece is very unstable. Government’s taxation policies and decision about the increasing prices have and VAT increase affected the market by affecting the buying power of the individuals in Greece Governments do not encourage the development of entrepreneurship. Tax is quite heavy, and consists one of the barriers for new companies’ entrance. Employment laws: A lot of demonstrations and strikes.