

Business environmen essay sample

[Business](#), [Organization](#)



Introduction

Business environment means all factors that affect the operation of a business, organization or company. Business environment includes the following factors suppliers, government, customers, industrial trend, competitors, economy, technology and innovation, of new methods of development, regulations, cultural and social factors. All these factors affect the smooth running of the business in either a positive way or negative. This means that they comprise internal and external business environmental actors. Additionally, business environments are characterized by several characteristics, such as complexity, dynamic in nature and relativity. This article is therefore analyzing Nestle company business environment and how they affect operation of companies, firms, industries partnerships and sole traders. Furthermore, business environments are made to calculate profit and lose made by the business during trading year, this helps to give the business focus for future expansion. According to this article, one must understand and analyze the following questions.

A company plays many roles depending on the reason the business has been founded. Different companies work on different prospects such that some works on profit making while others do not aim at making f profit. Every operation carried in an organization aims at nourishing daily duties are met. The organization is formed by the number of stakeholders with the same interest to ensure that need of consumers is satisfied. Business environment is composed by consumers, the government and suppliers, some of these elements of the business condition may affect the business in either direct or indirect. International investors also aim at developing business

environment. Within the business environment, an organization acts to perform different functions in order to determine the purpose of the business to exist in the business.

The purpose of this paper is to identify different areas through which the business is expected to operate and exercise during the trading period. One of the most important are is to explain and identify the purpose of distinguished categories of businesses. Additionally the essay has also to describe the extent at which the business organization works towards meeting goals of all stakeholders. As an important area of discussion, the paper has to explain responsibilities of business organization and best ways of achieving the goals of employs. The other important element is to explain how the economic systems allocate the resources in an efficient manner. According to the essay there, impact of fiscal and monetary policies effects the business operation. Nevertheless, the essay aims at evaluating impacts of competition policy and other law mechanism enforcement on nestle company.

However, the business organization has to determine the structure of the organization and how it determines the pricing and output of the business. It is also important to determine ways in which market the market has shaped and forced organizational responsibilities to the stakeholders. Moreover, the article discusses how cultural environment changes the behavior of nestle company. Nestle organization is important in international trade to the business of UK and results of internal trade is important to the organization.

Finally, to evaluate results of policies to the European Union on United Kingdom business organization

Question 1: Identify the Purposes of Different Types of Organization

Nestle has create business environment which has given it a big priority for it to have a purpose in the market. An organization is defined as a cluster of citizens with a universal objective in order to achieve a specific average results in terms of business presentation. Organizations are classified in three categories as follows, size, form and shape. In order to achieve competitive and successful business environment, Nestle has accepted the three categories above that accompanied or involves use of two most important facts which are resources and people. Nestle organization is formed to perform a specific business activity such that is production of chocolate products (Kew & Stredwick, 2005). On the other hand, a business organization may involve production of goods and items like, computer manufacturer, shoe factory, dairy farm, furniture making or clothes making. Service rendering organization business may involve taking activities such as banking, insurance companies, building, and hospital (Kew & Stredwick, 2005).

According to the form

An organization must be formed according to the legal formalities or according to the laws governing formation of an organization. The following are legal forms of organizations: sole traders or sole proprietorship, this form of business is established, operated and managed by one person. This

means that individual traders operate business on their own. Characteristics of one man business are as follows: the owner bears all the risks involved in the business, he/she enjoys all the profit, the owner keeps the top secrete of the business, the business is affected by death or sickness of the owner, furthermore, the business gets help from family members. Finally, it has unlimited limited liabilities (Kew & Stredwick, 2005).

Partnerships- this is another legal form of business. Two or more individuals who are business minded to achieve a certain purpose of profession form a partnership. Partnerships in United Kingdom (UK) are formed under liability partnerships act 2000 according to English and Scots law. The following are characteristics of a partnership: a partnership is formed by two or more people, it is a legal form of business, it has limited liabilities, lose or profit is share among the partners among many characteristics. Additionally, partnership as a legal form of business can choose to operate production of goods or rendering of services. Partners are entitled for the dividends which is as a result of profit realized in the business during the trading period (Kew & Stredwick, 2005).

Companies and corporation: companies are classified into two categories, private limited and public limited companies. A private limited company is established and owned by a small number of people or shareholders who have a common goal for the business. The public limited company is a legal form of business organization that is owned and operated by a big number of investors (Fernando, 2011). On the other hand corporations are government owned and operated forms of business, this means that they are established

by the national assembly. A Corporation involves business, which takes large capital and risks, such as production of firearms. Nestle company lay under private companies and it is characterized by the following features: it is legal forms of business, they are formed by the shareholders. It has limited liabilities, formed by the minimum members of 50 and maximum of 200, it is managed by the board of directors, they do not operate until they are issued with certificate of operation. Public limited companies are characterized by the following characteristic; they are no minimum number of shareholders, they advertise their shares to the public, they have limited liabilities, they are managed by a board of directors. Corporations are characterized according to their high risk and capital involved in the operations, they are formed and managed by the government, the government appoints the heads of the corporations (Fernando, 2011).

According to size

Organizations are classified according to their size. In order to put business organizations in their classes it is important to defines its size in terms of volume of output, capacity sales, number of employed people, net worth in a real terms, assets employed in the organization and profit earned. The small businesses are normally established and run by one person known as sole proprietor or can be partnership that is formed by small number of individuals. They are involved in selling goods and services to the local. Small businesses normally are believed to employ not more than 50 workers according to the nature of the work done. Another type of an organization according to the type is medium sized business. Medium sized operates in

either local or nation point. They normally tend to employ workers from 50 and 250 depending on the volume of work. Examples of medium sized businesses are goods manufacturers, insurance companies, co-operatives and banks (Fernando, 2011).

Large business organizations

These businesses are normally characterized by their ability to operate in more than one country. They employ thousands of employees in order to perform their voluminous number of activities. Large businesses involves big business with large capital such as finance companies for example Royal Bank of Scotland, Nestle and Oil companies such as Bp. Large business organizations have several offices and outlets in more than one city and country. They are able to establish many branches all over the world due to high profit from their activities (Halbert & Ingulli, 2012).

Advantages of large businesses over medium and small

Large business organizations are able to acquire the so called economies of scale due to use of large resources like, raw materials, labor and capital. Additionally, large businesses are able to access large market. Another advantage is that large business organizations stand in a position to provide attractive job opportunities to determined employees (Halbert & Ingulli, 2012). Furthermore they are able to provide services at relatively reduced cost to the customers which makes them to purchase large volume of the company's products. There is specialization and greater division of labor in the departments something that encourages the workers to work with

confidence in their fields of expertise. Nestle as large businesses has optimistic life span that provides continuity of productions of goods (Halbert & Ingulli, 2012).

Question 2: Describe the Extent to Which an Organization Meets the Objectives of Different Stakeholders

Stakeholders are the persons or agencies who have a concern towards a certain activity within the organization. There are three types of stakeholders namely, internal, connected and external. Internal stakeholders are managers and employees. Nestle organization has connected stakeholders whom include customers, shareholders, financiers and suppliers, the last category are government and community. Stakeholders' plays key role towards development and expansion of nestle organization. Nestle organization has provided conducive working environment, good payment to the workers and providing them with relevant knowledge as required. As any other organization has to be faithful to external stakeholders such that in terns of tax payment (Halbert & Ingulli, 2012).

An organization should practice the following methods to meet objectives of stakeholders. Whereby, nestle as an organization is a part of the society there should be good terms and relations between the community and an organization. Thus, a business organization should provide jobs to the society limit pollution and encourage the community to work. Universities and other education institutions should provide qualified students with the relevant education, which will help them to become useful persons in the community. An organization has to provide quality service to the society at

low cost (Fernando, 2011). Nestle as an organization can help the community as a stakeholder to achieve its obligation through these social ways.

The organization has to help the shareholders to meet goals and objective as set during business plan. It has also to prove to the shareholders that it is able to cooperate well with external stakeholders. The business ensures shareholders that they should enjoy maximum competition from the competitors hence quality products have to be produced. Nestle organization should work towards reducing cases of environmental hazards which might be caused by emission of pollutant, drainage of harmful water to the river and mining activities which cause land infertility. However, an organization should practice ethical practices in order to improve social responsibility. Business organizations are enforced by principles, rules, regulations, and statement policies in order to help the stakeholders to achieve their objectives (Fernando, 2011).

Question 3: Explain the Responsibilities of an Organization and Strategies Employed to Meet Them

Responsibilities refer to the commitment that an organization must undertake although they do not include in control mechanism and internal management. Responsibilities in nestle business organizations aim to donate charitable duty for community welfare. Thus, nestle organizations practice these responsibilities: environmental responsibilities, social responsibilities, management responsibilities, and ethics and business responsibilities (Fernando, 2011).

Environmental responsibilities

During establishment of Nestle organization, one of the most important aspects that are considered is environmental effect. The government has put into consideration environmental pollution as industrial effects. Additionally, not only industries which emit pollutant to the environment, but also vehicles. In United Kingdom (UK) the law that protect environment is governed and enforced through Environmental Protection Act 1987 (EPA) and the so called water resource act 2007 (WRA). These two bodies help to control and environmental pollution in London and its surrounding. They educate companies, industries and other organization on proper methods and management plans to reduce and prevent production of waste products.

They teach firms to use environmental friendly raw materials and proper ways of disposing harmful substances which might be hazardous to the environment. The aim of these agencies is to fight against environmental pollution and to promote better ways of saving the world from global warming. Organizations have recycled their waste products into energy source as one of the strategies to reduce environmental pollution (Fernando, 2011). It is the responsibility of nestle to plan for the best ways of reducing environmental pollution.

Social responsibility- social responsibilities can be defined as duties that an organization has put in place for the benefits of people (society) and the environment. Social responsibilities are key factors of which they help the business or an organization to create good relationship. This can be achieved from the following organizations, government, colleges, businesses, and

universities. Furthermore, churches plays big role towards achieving social responsibility to the community. This means that, as church preach about peace and reconciliation people in the community feel to be united. People interact in schools, churches, or at work which create social responsibility. For instance, universities are therefore expected to teach and produce qualified and professional students who can prove to be of assistance to the community. An organization has set up stable goals to achieve social goals through promoting good relationship. Nestle company should grand scholarships to the students in the community as one of social responsibility.

Management responsibilities

Nestle organization through its stakeholders has to provide responsibilities to the customer, employees, competitors, to the local community, to the suppliers and the government. In an organization, shareholders are the owners of the company, however managers, customers, workers and suppliers. Nestle business organization has the following management responsibilities to the employees: retirement pension plan and recruitment policies. Another management responsibility in management is to customers. An organization should be responsible to the customers through provision of quality goods and services. Additionally organization should be fair and honest when dealing with the customers. For example, Nestle chocolate product company is one of the companies, which portray a good picture for the responsible business. Responsibility to the suppliers, these responsibilities is characterized by terms of trade relation. Suppliers as

stakeholders of Nestle company relays under the mandates of an organization.

Business environment

Explain how economic systems attempt to allocate resources efficiently

There are various types of resources, which, contribute towards economic growth of the organization and the country. Economic systems include private and public, transitional economies systems and finance economies. These resources include workers, finance, raw materials, suppliers and customers. However, according to an economic system an organization has to practice many ways of in order to create effective allocation resources. This is done through ensuring that all the resources available for the company or an organization are arranged in an orderly manner. For instance, the company should allocate the workforce according to their qualifications. Skilled workers should be given tasks according to their fields of expert or specialization. Specialization of labour motivates workers. An economic system has also to allocate raw materials in a good system, this helps to reduce cost of transportation and misuse of this resource by the staffs. Thus, it is important for a company to allocate resources in an efficiently way for their benefits (Beetsma, 2004).

Assess the impact of fiscal and monetary policy on business organisations and their activities

Business organizations are affected positively and negatively by the fiscal and monetary policies. A fiscal policy means the governmental policies,

which include taxation and revenue, sources of income, and government expenditures. In every country in the world, every single country has it on fiscal policies. The policies sometimes may favor business or discourage expansion of businesses in many countries especially less development countries. Thus, trade zone or areas are established in order to make one stable fiscal policy determine the business activities mobility and success. However, when the state increase revenue, the economy of the country tends to fall this is because it affects the morale of entrepreneurs and investors in the economy. Additionally, increasing custom duty for the shipped cargos leads to low shipping the port, which results into low income for the country. Other times the government may favor business through provision of incentives. Additionally, fiscal policy counteract for the circle economy which facilitates to the high employment opportunities in the country and also attaining the most desirable economic growth(Beetsma, 2004).

Monetary policies, on the other hand, may favor or encourage business on one or the other way. Use of different currency has made a trade become very hard to conduct. This is brought up by inflation and loss of value for some country's currency. Monetary policies mean any enforcement that is used by the government to affect the economy or influence circulation of money thus altering with rate of interest. Monetary policies affect the economy depending with exchange rates, bank lending and money supply to the market. According to the economy of UK, monetary policy aims at controlling inflation (Beetsma, 2004). Therefore, fiscal and monetary policies have significant impacts on business organization and their activities.

Evaluate the impact of competition policy and other regulatory mechanisms on the activities of a selected organization

Competition is one of the most important indicators to measure the business success under a wide economic growing region. Competition policies include proper strategies to meet consumer increasing wants and needs.

Competition helps an organization to measure its strength in terms of profit maximization. Nestle business as a chocolate product producer, has analyzed competition as its daily measures for its economic stability (Beetsma, 2004). On the other hand it has reduced the power of monopoly that has very low completion through entrance of other companies producing the same products. A regulatory mechanism such as taxation affects the company's ability to produce more good due to high taxation. Thus, even the number of employees becomes very few because of low income for the company. Thus, competition policies and regulatory mechanisms affect the activities of Nestle business organization in both positive and negative ways (Beetsma, 2004).

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