

# An introduction to business environment business essay



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Business environment may be distinct as the set of external and internal factors which affect the decision of business. We can split business environment into two parts. The Micro Environment of Business are powers which are extremely interrelated with company and company can direct these type of environment by improving its capability and effectiveness. Suppliers are the party who supply raw material to corporation; customers are the people who buy goods from corporation; market intermediaries are those groups who facilitate company to sell its products; financial intermediaries are those institutions who provide loan, credit and move forward to company.

Macro environment of business means all external factors which influence company and its business and there is no direct of company on these factors. In economic environment, we can contain government budget, import and export policies, economic arrangement and economic situations.

In political and government environment, we can comprise legislature's decisions, executive's decisions and judiciary decision which influence company's dealings. Socio-cultural environment include morality, belief, education, fitness of peoples and family importance. In natural environment, we can take in season, place elements, natural resources etc.

## **Task 1**

### **1. 1: Purposes of different types of organization**

The way to make money is to go into trade. Then you are rewarded for the risks you take with the skills and information that you have. The simplest form is that of a sole proprietor. But when it comes to limited companies

there are more regulations. You are not alone so it is not only regarding you. The corporation becomes the entity. You are in employment by the corporation even if you are the biggest investor. So your first duty is to the company. And for that the business pays you a pay. If you do really well for the company and create amazing value, you can be paid a bonus. An NGO is not a trade. It is based on social welfare. It belongs to ALL the members.

Angelo Americans are loyal to delivering operational excellence in a secure and liable way, adding value for investors, employees, governments and the communities in which they deals.

## **1. 2: Extent to which Angelo Americans meets the objectives of different stakeholders**

### **Business objectives:**

Business objectives are the ends that Angelo Americans sets out to attain. A business creates business strategies to allow it to achieve these ends, thus strategies are the way to the ends. The objectives and strategy that an Angelo Americans creates are determined by balancing the necessities of the different stakeholders in the association. The stakeholders are those persons and groups that are affected by and have a concern in how the business is run and what it achieves. Every business has a variety of stakeholders. The objectives that a company establishes are based on amalgamation of various interests of these stakeholders grouping. For example, an objective to be the market leader will help all stakeholders as customers will obtain high quality products, shareholders will obtain high dividends, and employees will receive good salary, and so on. Angelo Americans creates a hierarchy of objectives.

At the top level an organization will often produce a 'mission' setting out the <https://assignbuster.com/an-introduction-to-business-environment-business-essay/>

intention of the organization. This will be followed by a set of objectives relating to such aspects as:

Objectives about market share.

Objectives about customer satisfaction.

Objectives about employee satisfaction

Objectives about returns to shareholders.

Objectives about cutting pollution.

Objectives about reducing waste etc

### **1. 3: Responsibilities and Strategies use in connection with fulfilling these responsibilities**

Becoming the leading mining company Angelo American's plan is to be the leading global mining company becoming the industry's employer, partner and investment of alternative. Sound strategy, a promise to sustainable development and good governance are necessary to achieve this goal. Our top priorities are safety in our operations, clearness and accountability in our dealings.

#### **Strategy:**

We are one of the major mining companies in the world, with operations in Africa, Europe, South and North America, Australia and Asia.

**Governance:**

As a worldwide organization, we comply with the main international standards of corporate governance. We direct and organize our company in a transparent and liable way.

**Sustainable development:**

We made a firm assurance to sustainable development in 2000. Today, sustainable development is fixed in our policies, strategies and everyday practices

**Task 3****3. 1: Impact of Competition Act on Anglo American**

Anglo American plc is a British multinational mining company headquartered in London, United. It is the world's largest manufacturer of platinum, with around 40% of world output, and a major producer of diamonds, copper, nickel, iron ore and metallurgical and thermal coal. It has operations in Africa, Asia, Australasia, Europe, North America and South America.

First and primary among the changes has been the new Competition Act. This was passed in 1998, triggered the 1999 change in name of the Monopolies and Mergers Commission to the Competition Commission (the significance of which I will return to shortly) and came into force on 1st March this year. This include two new prohibitions, the so-called Chapter I prohibition on anti-competitive agreements by firms-primarily, but by no means only, personal cartel activities-and a Chapter II prohibition on abuse of a leading position in a market, covering such matters as exploitation of

purchasers through extreme prices, predatory pricing, undue discrimination etc.

Under the new Act, the Director General of Fair Trading may examine alleged breaches and, if he finds either of the prohibitions have been breached, has powers to fine the company or companies concerned up to 10 per cent of their annual revenue for up to three years if the breach has been running that long. That could simply remove some companies' profits for several years, which in turn could have severe consequences for their share price, and could even make them helpless to takeover. In short, these powers are very considerable and more serious even than those under the Treaty of Rome, which limits fines to 10 per cent of revenue.

### **3. 2: Different Markets**

#### **Perfect Competition:**

In concept of perfect competition exists, however in real life only near perfect opposition can exist. And the staple food and vegetables we buy from the market is perfect competition. In this type of market there are many sellers and many buyers so organization's price and production should be good enough to magnetize customers.

#### **Monopoly:**

Companies which are state owned and entrance for other players are not acceptable. If we take example from Indian perspective there is one example we can consider of is Indian railway which is the monopoly as there is no other contributor exercising in the same market.

## **Monopolistic Competition:**

Let's take a general example. Look around your locality. There are some good numbers of restaurants serving their customers. Though they might be producing same kind of recipes, the branding would be different. And that's the catch of monopolistic competition. In this market there are many buyers, many sellers and almost same items but different brand and fierce competition. In this market organization can utilize price skimming or price penetration policy.

Oligopoly:

In which a market is dominated by a small number of firms that mutually manage the majority of the market share.

Duopoly:

It is a different case of an oligopoly with two firms.

## **3. 3: Influence of Market Forces**

For the past four years as a reaction to customer demands the majority of UK food manufacturer, retailers and fast food outlets have not been using GM ingredients. Many have already removed ingredients resulting from GM crops such as oil and lecithin. To attain this companies have established 'identified preserved' food chains in which the source of the raw materials is known, and they are tracked from field to supermarket shelf. At present, soya and maize are the major GM crops for which alternative materials have had to be sought because they are the only ones licensed for sale in the EU. The majority of processed foods contain soya, maize or their derivatives. The

systems appear to be working well and most companies are operating to a 0.1 per cent threshold. Recent opinion polls indicate ongoing public resistance to the sale and growing of GM food and crops. It is clear that there continues to be no demand for GM food in the UK.

Iceland Frozen Foods was the first high lane retailer to respond to consumer concerns, announcing in March 1998 their intention to eliminate GM ingredients from their own brand foods. Over the next 18 months, nearly all the chief supermarkets, food manufacturers and caterers followed Iceland's lead. Since then many companies have taken their GM policies further to contain animal feed, derivatives such as oil, and processing aids such as enzymes.

In 2002 the Consumer Association surveyed all the major food retailers, manufacturers and caterers to determine the extent to which these companies have successfully removed GM from their supply chains. Most companies have a blanket ban on ingredients and derivatives. Progress on animal products has been slower because of the short of labeling of animal feed and segregation in this segment.

### **3. 4: Cultural Impact**

It is necessary to focus also on what people think, feel and do in and around organizations.

Managers should be concerned about how the behavior of organizational members evolves, how employee behavior is shaped by group dynamics and social interactions. Numerous conditions have influence on managers when making a decision. In the background one of the most significant one is the <https://assignbuster.com/an-introduction-to-business-environment-business-essay/>



method how employees behave and take steps in an organization. The organizational culture is a generic term to express the set of beliefs, norms, artifacts and values that represents the characteristics of an organization, and gives the context for behavior within it. To maximize organizational performance needs an organizational culture that inspire employees to learn, develop and give their very best.

## **Task 4**

### **4. 1: Significance of International Trade**

Some case studies have revealed recent instances where UK-listed companies' operations have had serious adverse impacts on workers' health and safety, individuals' and communities' human rights, developing country economies, and the quality and accessibility of natural resources. While not all mining firms commit equally disturbing acts, and some companies genuinely try to examine the benchmarks for good governance already in place, there is persuasive evidence that such benchmarks are unnoticed with impunity by others. None of the companies critiqued in this report has been ousted from the LSE Main Market or AIM or been subject to a thorough official assessment of their alleged misdeeds.

### **4. 2: Factors Affecting Mining Companies in UK**

The global mining industry is facing intensifying social, economic and political challenges, which means companies must include more complicated scenarios into their strategic planning, says a new study from Deloitte Touché Tohmatsu Limited (DTTL). The report is called "Tracking the Trends 2012", and it warns of a "perfect storm" of converging global forces, such as

inexorable cost increase, unprecedented commodity price volatility, ever-tightening rules and mounting labor shortages disturbing mining companies.

At the top of the list, is the cost of doing business. “ What goes up does not always come down. With commodity prices surging to all time highs, accelerated production has become the mantra of most mining companies and costs are going up transversely the board,” says Deloitte. The report offers some strategies for getting costs under control, understand cost drivers, advance capital project management, improve energy efficiency, lock in supply, and spend to save.

Chaotic commodity prices were second on the list, and Deloitte faults China, the foremost contributor to the multi-year boom, for preservation information that could facilitate miners to better direct their production schedules.

### **4. 3: EU Policies**

#### **The Organizational Dimension:**

From the outset, the greatest impact on Whitehall from EU attachment was felt by a group of Ministries that included the Foreign and Commonwealth Office (FCO), the Department of Trade and Industry (DTI), the Ministry of Agriculture, Fisheries and Food (MAFF), and the assets. This group effectively acted as ‘ lead’ Departments on the most critical areas of EU business. The FCO unspecified overarching responsibility for EU institutional questions; for communications between Whitehall and Brussels; for the operation of UK Rep; for inter-governmental foreign policy cooperation and for monitoring European developments in general terms. The DTI’s responsibility for

external trade matters, for competition policy and, later, its leading role on the structural Funds made European business a key strand of its activities. The Sheer scope and density of Common Agricultural Policy decision making the both Financial and regulatory gave MAFF's operations a strong European flavor.

### **The Process Dimension:**

The nature of EU policy manufacture stimulated some significant change in UK policy processes. Adaptation to the EU's novel institutional architecture and its crowded legislative agenda posed a stern test for Whitehall since activities had to fall into line with the very different timing, formats and methods of choice making Brussels. Much of the central administration's response was largely in keeping with existing practice, though the passion of EU activities did put standard operating procedures under strain. For Parliament, the handling of EU legislation demanded new scrutiny procedures as well as means of holding the Executive to account for its activities in a policy process that did not easily lend itself to democratic accountability. For the Scottish, Welsh and Northern Irish authorities, the principal procedural issues revolved around their connections and involvement in the key formal and informal decision making structures.