

Principles of supporting change in a business environment

[Business](#), [Business Environment](#)



Business and Administration Unit four: Principles of supporting change in a business environment Session 1 Handout // Why change happens Reasons for change In business there are continuous pressures for change. It is helpful to consider reactive change when the business responds to external pressures and proactive change when the business changes due to internal demands. Reactive change Pressure to change There are many factors that influence business organizations. These factors create pressure for change in those organizations. One helpful way of thinking about the factors influencing change is to use the PEST acronym.

This highlights four of the main influences on the operation of a business.

The acronym represents the following: Political Examples include:

Government (policies, regulations, grants, etc) International (conflict, political change, pressure groups and trade policies) Legislation (domestic, European, future legislation, and international legislation) Economic Domestic (competitors' behavior, economic performance and trends, tax and interest rates) International (competitors' behavior, economy, economic trends, tax, interest rates, exchange rates and trade issues) Social

Advertising and PR, brands and image, consumer attitudes, consumer buying preferences, demographics, ethical issues, events, media views

Technological Ability to install new technology (and of competitors to do so)

Emerging new technologies Funding for technological research, development and implementation Intellectual property rights Technology legislation and life cycle O Creating Careers Ltd 2011 Page 1 of 2 Unlit Tour: Principles AT supporting change In a These external changes will create pressures for an

organization to adapt and make internal changes. Proactive change Change from within

The other source of change comes from within a business. Here you may have a business that is operating effectively and satisfying its customers yet there are still changes being made. This is driven by a desire in the business to improve. Some typical examples include: An organization decides to cut waste and reduce costs innovates with its products wants to move from 12 hour to 24 hour customer support introduces Total Quality Management techniques However, the changes may also be less dramatic such as: Upgrading the office software Putting some new furniture in the canteen.

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