

# Macro level factors in an external environment

[Environment](#), [Ecology](#)



MEMO To: Vice President John Doe From: Kathy Brewster-lee Subject: macro level factors in an external environment Date: November 20, 2012 Hello Mr. Doe, It is my understanding that the large presentation on social networking is quickly approaching and a brief memo discussing how macro level factors in an external environment have impacted the structure of the online social networking industry in the global marketplace is required. In order for that to be done properly there is some information that needs to be addressed.

Just what are Macro environment factors; they are uncontrollable external forces that influence how a company operates. They are essentially out of the control of the company, and it often requires a change in the operating, management, production, and marketing of the company. They are often called PEST or PESTEL. PEST stands for Political, Economic, Social, and Technological concerns and PESTEL has the same definitions for the pest but it also includes Environmental and Legal factors.

Associated essay: KFC Planning, Organizing, Leading and Controlling

Political macro environment factors encompass of effects such as tax policies, government-issued safety guidelines, the accessibility of government contracts, as well as the modifications in the governing political party. International laws, for instance trade agreements and tariffs, can influence the supply and demand chains also obtainable markets for several diverse corporations too. A market boom, recession, or growing increase delinquency can all modify the method an institute tactics for the opportunity as well as functions in the present-day.

Economic factors exist frequently complicated to consider, because economic forecasts and analyses differ widely among professionals. Unemployment levels, comparative foreign exchange rates, and the condition of the global economy can completely assist otherwise damage a business' capability to get required constituents and preserve a stable profit. The mood and demographics of the inhabitants can create the formation of the social area of macro environment factors.

Social trends, such as a predilection for on-demand transportable media devices, can correspondingly persuade which products a company manufacturers and where it chooses to spend its advertising dollars. Technological macro environment dynamics can affect how a company ensures business. An innovative kind of machinery, computer chip, or products produced through research and improvement can help a corporation stay updated and at the forefront of the market curve. Holders must be able to precisely identify which new developments will be useful, as well as which be situated as just a trend.

With environmental concerns they exist significant to businesses in cooperation in the short and long term of them. In the short-term things similar to natural disasters, can interrupt the production and supply operations or even extinguish a company's assets. Programs for instance environmental risk assessment can assistance companies to arrange to handle most probable short-term crises. In the long view, businesses may have an interest in ensuring that their supply chains are not destroyed by unsustainable practices. Legal factors can limit or change how a business operates.

As an example they may include to employ additional supervisory employees or acquire safety equipment following a new health and safety law that could have passed. Legal factors are determined in cooperation of local legislation, regional and national laws. In some cases, companies that do dealings internationally can also be affected by international laws. Reference: What Are Macro Environment Factors? From <http://www.wisegeek.com/what-are-macro-environment-factors.htm> Cachia, R (2008) Social Computing: Study on the Use and Impact of Online Social Networking From <http://ftp.jrc.es/EURdoc/JRC48650.pdf>