

Introduction to business – speech

[Business](#)



Introduction

The existing economic conditions have given rise to increasing speculation among entrepreneurs and professionals across all economic sectors. In my speech I intend to provide a comprehensive review of the present business environment in the existing economic conditions in the UK. The recent global financial crisis has led to increased exposure to risks in financial markets that has made a deep impact on the economic growth rate of nations across the globe. Developed economies like UK and US have suffered severe setback in the past two years owing to the recession and this has adversely affected global trade and commerce. The economic environment has assumed increased proportion of risk and uncertainty in the present times.

The United Nations report (2008) on World Economic Insecurity observes that an increasing level of economic insecurity can threaten the socio economic progress by “ stifling innovation, shortening investment horizons, narrowing choices and generating opportunistic and undesirable behavior.” For the purpose of gaining an insight into diverse aspects of business growth and development, I will focus on the way technology has made its impact on the growth and development of UK economy with specific reference to the book publishing industry, the renewable energy market in UK, the IT and outsourcing industry in UK, the developing economy of India and its impact on the UK economy, and the food industry in UK.

Technology in business

The growth of an economy is dependent on the growth of business activities within the community. A thriving business environment forms the base of a thriving economy. In order to be successful, entrepreneurs need to tap potential or existing consumer needs and allocate resources to meet these requirements. In recent times entrepreneurs are re-engineering their business strategies to accommodate advancing technology and rapid innovation in the field of information technology and e-commerce. Technology has equipped the workforce with speed and accuracy that has enhanced overall productivity and efficiency. I would like to emphasize in this context that technology is one of the most prominent driving forces of the economy worldwide and this is evident in the transformations that have revolutionized the book publishing industry in UK and elsewhere.

Market data available through various reliable sources over the Internet suggest that the book publishers in UK have sold approximately 787 million books in the year 2006 with an invoice value of 2.81 billion pounds (source: The Publishers Association, UK <http://www.publishers.org.uk>). In the year 2007, the book sales in UK rose to approximately 338 million amounting to total sales of 2,478 million pounds. A look at the sales trends of consumer's items on the Internet reveals that books account for a majority share second only to CDs and DVDs purchased online.

	Buy Now	Buy Future
CDs & DVDs	76%	90%
Books	71%	88%

Clothing & Footwear	57%	68%
Food & Grocery	38%	63%
White Goods	33%	64%
Health& Beauty	31%	58%
Furniture & Home wares	31%	55%
Electricals	24%	64%
DIY	22%	54%
Cars	6%	21%

Source: [http://www. booksellers. org. uk/industry/display_report. asp? id= 1084](http://www.booksellers.org.uk/industry/display_report.asp?id=1084)

The online book market share is expected to go up from current 71% to 88% in the future. There are number of reasons associated to the growing popularity of e-publishing and booksellers online are faced with stiff competition owing to the large number of competitors entering this market. Booksellers online are setting examples across the world of increased revenues and higher sales throughout the year with the aid of e-commerce. The Internet has provided these booksellers with a cost effective platform reaching out to millions of consumers across geographical boundaries. Books are one of the most sought items on the Internet and tops among the various items sold through this medium.

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Renewable energy sector

The demand for energy has grown with the increase in industrialization in the modern economic times. The past few decades have witnessed enormous changes in the way the energy sector has grown and revolutionized itself to meet the growing demands for power and fuel. The economical development of many countries depends on the availability and per capita consumption of the energy. It has also been found that the per capita consumption of energy is very high in developed countries as compared to the developing countries. The National Statistics of UK (2009) provides that the amount of energy consumed per unit of output has decreased by 32.9 percent between the period 1990 and 2007.

However, the use of fossil fuels has increased from 147.5 million tones in 1990 to 156.4 million tones in 2007 accounting for an increase of 6 percent. Renewable energy and non-conventional energy sector is going to play a very important role in the coming years because of world's commitment for reducing Green House Gas Emission to stop Global warming. The technologies of renewable energy generation have reached to its maturity level and it is the time that industries are adopting such technologies for fulfilling their energy needs. The adoption and promoting of clean-energy technologies are very important particularly for the UK economy because they are one of the signatory to the Kyoto Protocol.

IT and outsourcing industry

“ The digital revolution and the dramatic fall in international telecommunication costs have created unparalleled opportunities for

businesses to take advantage of high skilled, low wage workers in emerging countries” (Farrell, 2005). The IT industry in UK has witnessed significant changes over the past few decades owing to the rapid advancement in information technology and innovative applications applied to diverse economic and commercial sectors. The service sector has assumed increased significance in the present economic environment providing entrepreneurs with increased scope and opportunities. The outsourcing industry is one such sector that has transformed the way of doing business. The public and private sectors in UK have been offshoring significant parts of its business to India and other developing economies in order to bring down its operational costs. A recent news article in the Economic Times (2009) states the plans of the UK State owned departments’ intention to offshore the IT systems to India to bring down the costs managing and maintaining the technology systems.

The developing economy of India

The Indian sub-continent is moving towards a faster growing economy adopting changes and policies that attract more foreign investments. Though the country has the required expertise it lacks the basic infrastructure required to support extraordinary growth trends. The Indian government has deregulated basic infrastructure sectors like telecommunications introducing multinational players allowing competition to grow. This has not only provided the consumers with several alternatives but also improved the quality of service provided. The up gradation in services and infrastructure has paved the way for global companies to tap the market potential of these countries. Outsourcing providers is one of the primary business sectors that

are making their presence felt in such developing economies. India tops among the list of favored destinations for IT outsourcing, particularly for companies in United States and United Kingdom. The country clearly has a software advantage that makes it the most preferred destination for IT outsourcing.

The abundance of highly skilled workforce coupled with comparative lower wages is the primary attraction for all outsourcing companies. The country provides 24 hours workday, high quality work delivery, and adherence to security guidelines. The high-speed Internet connectivity in the country has greatly facilitated this rapid growth and it promises huge market opportunities owing to the strong intellectual population base. The growth of Indian economy is perceived as a threat to other economies like UK since India is fast becoming the outsourcing hub for most companies owing to the expertise and knowledge skills possessed by the people in the country.

The food industry

The global food industry has undergone significant changes in the past few decades owing to increased prominence of multinational corporations in the processed food segment and the growing popularity of fast food culture. These changes are attributed to the globalization influences and opening of international trade across different economies of the world. The increasing price of food items is one of the outcomes of the process of globalization and trade liberalization policies advanced by US, Britain, and other G8 countries. UK is the fourth largest food importing country providing a huge market for the farmers in developing countries. Fast food industry is an important segment of the food industry and it has witnessed extraordinary growth over

the past few decades. Many multinational companies like McDonalds, Pizza Hut, Kentucky Fried Chicken and Subway have made a global presence in the fast food sector. This is largely attributed to the lifestyle changes and increasing popularity of the over the counter fast food service mushrooming across all corners of the globe.

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