

Environmental scan paper mgt-498 essay sample

[Business](#), [Company](#)



Environmental scan entails the scrutiny of the surroundings with an aim to improve it. The surroundings can affect the company either positively or negatively. It is, therefore, necessary for the companies to be flexible to allow for changes as they present themselves to evade incurrence of losses. The environmental changes range from societal, economic, political and legitimate issues (Coombs, W., & Holladay, S. 2012). The company's flexibility depends on the tactics adopted by the management. If the company is unable to hedge itself from the environmental forces, it leads to massive financial losses, and at times it can lead to the closure of the firm. Therefore, it is the responsibility of the management to be on their toes to ensure that they have a solution should any crisis arise. The companies to research about are Coca-Cola and the P& G companies.

Coca-Cola is involved with the manufacturing of soft drinks while P & G manufactures a variety of products, for example, the pamper diapers. The internal environments of the Coca-Cola Company revolve around the workers and the management. The workers can at times become so agitated by the remunerations paid to them, therefore, revealing the weaknesses of the firm. The management could also be having a constraint relationship with the employees leading to the deterioration of their social ties illuminating the threats that the company faces. . The external environment entails their social responsibility, their relationship with the outside world, and the competitors and the market share they have been able to gain in their industry. Using the elements above, the company is able to realize its opportunities so as to maximize them to increase their profits (Lesca, N. 2011). On the other hand, P & G internal environment range from the

workers and the strengths and weaknesses of the management, to the production cost. The external environment involves the diversification of the products to keep off the competitors and the fluctuating market prices of their products. The better they are in terms of flexibility, and remaining relevant in the market can be used to assess their strengths and work on their weaknesses to convert them into strengths. The SWOT analysis has helped them gain an added advantage due to the comprehensive analysis and the necessary adjustments made.

The competitive advantages that Coca-Cola Company has are; a greater market share, customer loyalty and a continued gradual growth of their profits. These are some areas that the company has been able to exploit their strengths and turning them to their advantage. It has been able to gain a greater market share by the providing the variety of products to the consumers and its diversity since it is found in most of the countries. They have also been able to win the customer loyalty by maintain the quality of their soft drinks. Their opportunities of providing the consumers with quality products have helped Maintenance of the employees' confidential information helps to strengthen the ties with the employees resulting to their increased motivation. Being socially responsible has improved their public image, therefore, attraction of more customers leading to increased profits it also pulls out their opportunities (Coombs, W., & Holladay, S. 2012). Their products are found in different quantities and prices hence consumer friendly as it does not discriminate the low income earners. The subsidized prices attract all customers of different income levels hence the increased revenues. Creation of employment has enhanced their public image and

many people have learnt of its existence thus the urge to consume their products.

P & G Company has its own competitive advantage which were enhanced by their strengths and opportunities exploited. They include; the diversity of their products, the size of the company, and increased revenue collections. Through the diversification of the products, the company has been able to hedge against unhealthy competitions from the rival competitors. When one product declines in price, they can increase the price of another product to cater for the losses. Therefore, losses are recovered within a short period of time. Embarking on massive advertisements has helped the company as it has increased its publicity. Advertising was one of the ways of reducing the company's threats. They could be faced if the company happened to take time before selling their products. Paying the employees a viable wage adds them a competitive advantage (Lesca, N. 2011). It helps in the motivation of employees, and the results are; increased production rates hence increased sales leading to increased profits. This portrayed their strengths as an organization being ahead in revenue collections. Provision of the safety gear ensures that the employees are safe thereby; winning their loyalty.

Observance of the law has helped them gain a competitive advantage in the market. They observe the rules provided under child labor and the employee utilization policy. They are able to monitor their workers to ensure that they conduct themselves accordingly and respecting each other at the work place. The children are also protected by ascertaining the age of their employees to avoid being accused of child labor.

Coca-Cola is able to create and sustain value of competitive advantage by;

increased innovation, their distribution channels, and the pricing of the products. The innovation has been witnessed by coming up with the different tastes of the soft drinks. The techniques and machines used in the production have enhanced the quality of the soft drinks. Their distribution channels are well represented as they involve the wholesalers, the distributors, retailers who usually get the products the consumer (Coombs, W., & Holladay, S. 2012). The network of the distribution channels has been well arranged to ensure that the demands of the consumers are met as and when required. They ensure that the retailers and the wholesalers do not over stock or run out of stock as this causes an imbalance in the market causing the consumers to shift preferences. They have been able to strategically price their products to attract a wide range of consumers. The prices act as entry barriers into the industry. The low prices also discourage potential competitors from getting in the industry. For P & G to produce and withstand the competitive value they embrace massive advertisements, the prices of their products are always sub standardized to gain more customers. Positive and immediate responses to the customers have been as added advantage to the company. The diversification of products, for instance, manufacturing of diapers of different types and prices. They are able to cater for the different preferences and tastes of the consumers thereby; tapping all the revenues in all possible avenues. All these are based on SWOT analysis that help them work on their weaknesses and threats and being more aggressive in their strengths and weaknesses. The measurement guidelines that Coca-Cola Company is using to verify its strategic effectiveness are; the evaluation of the performance of the

company in terms of the profits, and the employee performance based on their productivity level. On the other hand, P & G uses how the strategy has worked towards the accomplishment of the company objectives (Lesca, N. 2011). The resources of the company must not exceed the ones that had been allocated to it by the management on the basis of the strategy. The strategies must be maximized to get the maximum outcomes from it.

The guidelines used by Coca-Cola are effective in a way that the achievements can be visible thus eradication the element of assumption. The employees increase in the productivity level can be attributed to the sales made per day, and the profitability level ascertained by the finance department. In P & G Company, the effectiveness of the guidelines is that having initially outlined the company objectives, it becomes easier for the management to determine what has been achieved and what is yet to be achieved.

Nevertheless, before analyzing the environment of a business, it is essential to establish the strengths, weaknesses, opportunities and threats of the company as a whole. The analysis helps the management come up with the best strategies that suit the company and the employees. The environment should be protected to provide an ample setting for all businesses. It is essential for the companies to evaluate their SWOTs to be able to ascertain which way to take for the growth of the business.

References:

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