

# [Business in its environment](https://assignbuster.com/business-in-its-environment/)

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Q1. It is said that the business organisation acts as a transformation mechanism, i. e. it transforms inputs to outputs. Explain the motivations and means of doing that.   
Customer requirements and consumable resources-such as raw materials, money, and information are transformed into goods, services, and business outcomes for the customers' benefit when appropriate events and conditions trigger action, The objective of most 21st century organisations emphasise on service and customer retention, regardless of the nature of the delivered result. At the same time that businesses are serving their customer and consumer markets, their performance is measured in terms of appropriate key performance indicators (KPIs) and evaluated against the requirements of the business owners and investors. Satisfying customers and owners concurrently while recognizing the multiple outside pressures and regulatory constraints is difficult, given the potential conflict among these guiding factors. (Principles of Business Process Management, www. adaptive. com/Resources/bpm\_ch3).   
Q2. What are the key environmental influences on business activity and in what ways can PEST analysis be used to explain a firm's current and future environment   
In analyzing the business environment using the PEST analysis, the key environmental influences that are laid out because these are important factors in studying the summary of external forces that affect organizational transformation, namely: 1.) political 2.) economic, 3.) social, and 4.) technological influences.   
By listing down the detailed factors indicated by political, economic, social and technological influences, an organisation can identify " smaller" parts of these influences that could be addressed in either short-term or long-term transformation. (Business Policy Module 3: Environment of Business, http://www1. ximb. ac. in/users/fac/dpdash/dpdash. nsf/pages/BP\_M3.)   
Sources:   
Business Policy Module 3: Environment of Business. Analyzing the Environment: PEST Analysis. Available online at http://www1. ximb. ac. in/users/fac/dpdash/dpdash. nsf/pages/BP\_M3   
Principles of Business Process Management, p. 67-68. Available online at www. adaptive. com/Resources/bpm\_ch3.