

The background of the business environment business essay



You have just been employed as a business researcher for a company and you have been asked to collect information on categories of organisation based on ownership, control, activity, profit or non-profit, legal status etc. You are required to prepare some written materials that describe the organisation; include their overall purposes, aims, strategies and form of ownership as well as the stakeholders of the organisations.

As Business organisations exist for many different purposes and have a range of aims and objectives. Privately owned businesses usually aim to make a profit for the owner(s); publicly owned organisations work to deliver services and there are many organisations working for a common cause or service rather than for profit. All these businesses employ staff and use other resources and are important to the economy of a region.

Task 1

- a) Define an organisation. What are the different types of organisations?
- b) Describe the purpose of different businesses. Create a section in your report summarising the rationale behind the mission statement strategic aims and objectives

Task 1 addresses P1. 1

Task 2

All organisations have groups or individuals who are said to be stakeholders in the business. This means that they have an interest in the actions, performance or plans of the business. To show your understanding of how

stakeholders influence business organisations, in the next section of your report you should:

- a) Describe the different stakeholders and list those whose interest may conflict in the selected organisations.
- b) Describe how each one influences the purpose of the selected organisations.
- c) Evaluate the extent to which an organization achieves the objectives of different stakeholders

Task 2 addresses P1. 2

Task 3:

Companies have social responsibility towards those they affect, either directly or indirectly

- a) To whom might management have responsibilities, and what are some of these responsibilities? What are the strategies applied to meet them

Task 3 addresses P1. 3

Task 4)

Compare two real contrasting organisation and explain their purpose, stakeholders and their influences

Task 4 addresses M1

Task 5

Using information from task 4, Contrast and criticize how different organisations are under increasing pressure to keep their stakeholders happy

Task 4 addresses D1

Task 1

- a) Define an organisation. What are the different types of organisations?
- b) Describe the purpose of different businesses. Create a section in your report summarising the rationale behind the mission statement strategic aims and objectives

Task 1 addresses P1. 1

Define an organisation. What are the different types of organisations?

An Organisation is a Group of people that is trained and managed to meet and achieve a collective goal. There are many types of organisations, such as charities, corporations, government and non-government organisations, international organisations, and so on.

Describe the purpose of different businesses. Create a section in your report summarising the rationale behind the mission statement strategic aims and objectives.

The purpose of different businesses is to supply, serve, and satisfy the needs of the customer. Different businesses provide a wider variety of products thus giving companies more productivity and more income that could either

be positive or negative depending on how those other businesses turn out to be.

Mission statement, Strategic aims and Objectives are the major points of setting the standard of reaching a goal in an organisation.

Mission Statement is a statement pointing out the purpose and goals of a company or organisation. Mission statements provide a critical insight of a company or organizations purpose and Goals that define these organizations on how they plan to be successful and how they plan to have a more positive productivity with their direction.

Strategic aims are a broadly defined objective that an organisation must achieve to make its strategy succeed. Strategic aims are used as a guideline to show direct a company or organizations employers and employees to finishing their objectives, leading to their goals, thus a positive outcome for the company or organization.

Objectives: An end that a person or system plans to achieve within a timeframe and with available resources. In general, an objective is broader in scope than a goal, and may include several individual goals. Objectives are basic tools that underly all planning and strategic activities. They serve as the basis for creating policy and performance evaluation. Some business objectives are minimizing expenses, expanding internationally or making a profit.

Examples of Mission statement, Strategic aims and objectives

Mission Statement of Apple

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” Apple designs Macs, the best personal computers in the world, along with OS X, iLife, iWork and professional software. Apple leads the digital music revolution with its iPods and iTunes online store. Apple has reinvented the mobile phone with its revolutionary iPhone and App Store, and is defining the future of mobile media and computing devices with iPad.”

(Apple, N. D)

Strategic aims of TELSCO

Our seven part strategy aims to broaden the scope of the business to enable it to deliver strong sustainable long-term growth.

To grow the UK core

To be an outstanding international retailer in stores and online

To be as strong in everything we sell as we are in food

To grow retail services in all our markets

To be our responsibilities to the communities we serve at the heart of what we do

To be a creator of highly valued brands

To build our team so that we create more value

(TELSCO, N. D)

Vision statement of Ikea

The IKEA vision is to create a better life for many people who purchase their products. Their main objectives are:

- IKEA produces cheap and affordable products for the customers
- The company wants better life for those who cannot afford expensive products
- IKEA always helps to produce right product for the right consumer
- IKEA always tries to sell their products at low prices
- The company's global developments and its continual commitment is to have a positive impact on people and environment.

(IKEA, N. D)

Mission Statement of a public sector organization:

The Riverside Transit Agency (RTA) was established as a Joint Powers Agency on August 15, 1975 and began operating bus service on March 16, 1977.

RTA is the Consolidated Transportation Service Agency for western Riverside County and is responsible for coordinating transit services throughout the approximate 2, 500 square mile service area, providing driver training, assistance with grant applications and development of Short Range Transit Plans (SRTPs).

RTA provides both local and regional services throughout the region with 36 fixed-routes, eight CommuterLink routes, and Dial-A-Ride services using 261 vehicles. In the cities of Corona, Beaumont and Banning, RTA coordinates

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regional services with municipal transit systems. In Riverside, RTA coordinates with the city's Riverside Special Services, which provides ADA complementary service to RTA's fixed-route services.

Mission Statement of a Private sector organization:

The Adidas Group strives to be the global leader in the sporting goods industry with sports brands built on a passion for sports and a sporting lifestyle.

We are dedicated to consistently delivering outstanding financial results. We are innovation and design leaders who seek to help athletes of all skill levels achieve peak performance with every product we bring to market.

We are consumer focused and therefore we continuously improve the quality, look, feel and image of our products and our organizational structures to match and exceed consumer expectations and to provide them with the highest value.

We are a global organization that is socially and environmentally responsible, creative and financially rewarding for our employees and shareholders.

We are committed to continuously strengthening our brands and products to improve our competitive position.

Task 2

All organisations have groups or individuals who are said to be stakeholders in the business. This means that they have an interest in the actions,

performance or plans of the business. To show your understanding of how stakeholders influence business organisations, in the next section of your report you should:

- a) Describe the different stakeholders and list those whose interest may conflict in the selected organisations.
- b) Describe how each one influences the purpose of the selected organisations.
- c) Evaluate the extent to which an organization achieves the objectives of different stakeholders

Task 2 addresses P1. 2

Describe the different stake holders and list those who interest may conflict in the selected organisations.

There are two types of stakeholders:

Internal stakeholders are the stakeholders that move, manage and direct the company or organisation with the use of the managers, shareholders, owners and employees. As managers move the employees to produce quality services and products, Shareholders invest in the organizations productivity and owners monitor the level of productivity his/her organization collaborates to achieve, All these Internal stakeholders hold a part in the company as they strive to work success on their company or organization.

External stakeholders are the people that influence the company or organisation with their interest, feedback, review, and interaction with the

company or organisation. External Stakeholders shape and mould and organization giving their feedback, sharing their interests and concerns whether it be positive or negative, interact with the company showing their support with the progress the company is having and reviewing the mistakes thus giving the company reports on how they should work out their faults.

The people who are categorized as external shareholders are:

Suppliers- who supplies the goods and materials for the products of a company. Suppliers play an important role to any organization as suppliers give the resources to the organization that the company needs to produce their products or work their services.

The local community - people who influences the company. The local community give their point of view of an organization, the local community or the market environment is who the organization strives to give an good and positive image, to help them pull in more customers and clients for the growth of its company.

Distributers - handlers of the products of the company to be shipped and transported to the market. Distributers handle the products that the organization supplies, Distributers handles the products promoting these products for the cash flow and income of an organization.

Customers - are consumers who purchase the products and services of a company. Customers or consumers is always the target of any organization or company that strives for growth, Organizations need to supply top notch products that could top their competitors and give quality service for the

customers so that they may have positive a feedback and review for that specific organization.

Government - is the party who legalises the status of the company.

Organizations need to follow the rules and regulations set by an government, for example McDonald's wants to release one of their famous burgers in an Islamic Country but the issue is that the burger originally released is pork, McDonald's now has to make a new way of releasing that product in the standard rules of the given country.

There are also stakeholders whose interests may conflict with the organisation because of certain causes some of which may be employees demanding higher salary, Government not agreeing with the company's products, And so on.

Here are some Stakeholders whose interests may conflict with companies:

Trade union whose interests and goals for higher employee pay could affect the income of the company. And could drastically affect the company's economy if events like " strikes" would happen

Shareholders can also conflict with organisations or companies because of their interest of high profit and return for their investment. If a company loses sales and value resulting to a lower income rate, shareholders may pull back from the company.

Suppliers can also conflict with the interests of an organisation with their high value demands on materials, which may result on a decrease of organisation's production that could lead to a shortage of inventory.

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Describe how each one influences the purpose of the selected organisations.

Internal Stakeholders influences the organisation by managing and directing the company. Owners would set the mission, vision and goals of a company, while the shareholders would invest for the company's growth. Managers would direct the employees to work with their products or services that would result on more income if done properly.

External stakeholders influence the organisation with their demands and interests with the organisation or company. A company would need to provide the needs of product or services with high standards, to see that the external stakeholder's demands and interests have been satisfied.

C) Evaluate the extent to which an organization achieves the objectives of different stakeholders

Organisations achieve the objectives of different stakeholders to the extent depending on the category of the stakeholder. For example:

Apple selling an iPod to a customer

Where Apple is providing the needs of a customer, achieving their objective of satisfying the stakeholder which is the customer

Or

Organisation-A achieving a project set by the project manager.

Where Organisation-A succeeds on finishing a project set by the project manager (The stakeholder) thus achieving an objective set by the selected stakeholder.

Depending on whom the stakeholder is sets the objective an organisation needs to achieve to the extent of the authority given to the stakeholder. Completing the tasks given to them by their stakeholders, keeps the stakeholders happy, as companies provide a safe and happy working environment for the employees, keeping their customers happy with good quality products and services, keeping their owner(s) and shareholders happy by creating more productivity and profit for the company, and so on.

Task 3:

Companies have social responsibility towards those they affect, either directly or indirectly

a) To whom might management have responsibilities, and what are some of these responsibilities? What are the strategies applied to meet them

Task 3 addresses P1. 3

To whom might management have responsibilities, and what are some of these responsibilities? What are the strategies applied to meet them

A management has a number of responsibilities and techniques that must be met, to see to it that and an organisation is properly managed. These techniques must be properly executed and properly done so that the growth of an organization may be done accordingly and so that a organization may

prosper if it follows simple market ethics following its responsibilities and techniques

Here are some of the responsibilities and strategies used:

A Management has responsibilities to its employees by providing an acceptable working environment and pay so that employees feel comfortable with their work space. A Management uses techniques like

Counselling: In which they give individuals advices on how they could improve. Counselling helps an organization's employee feel as they belong to that organization, this gives care to the individuals reviewing their performance and showing in which ways they could improve their performance for the better of the organization.

Retraining: Where they train employees skills they have not obtained that could be beneficial to organisations and industries. Retraining helps the growth of employees, giving them extra skills and talents that they may use to help the organization and for give these employees handy skills, Organizations need to train their employees so that these employees may work in different fields if the management need to place them in that specific field.

Job fairs: where they invite employees so that they could showcase jobs that they have on offer, and to discuss the opportunities with redundant employees. Job Fairs help pull in more employees or members of an organization that could give growth to an organization and Help that organization improve with the man power their pulling in.

Task 4)

Compare two real contrasting organisation and explain their purpose, stakeholders and their influences

Task 4 addresses M1

Microsoft and Apple are organisations that are companies that are both in the technological field.

Microsoft and apple both have the same purposes and that was to manufacture and supply computer software and hardware to the market. Microsoft has started in 1975 and Apple started in 1976, both companies worked on a programming language called AppleSoft BASIC.

Microsoft's stakeholders are:

Shareholders

Software and Hardware developers

Suppliers

Customers

Microsoft Employees

Apple's Stakeholders are:

Lenders

Apple employees

Manufacturers

Software developers

Customers

Suppliers

Music industry

Both companies started with the development of Operating systems along with other companies, But Microsoft OS has always led the market when it comes to OS sales, Microsoft has always been the top tier OS than Apple and has influenced other Operating systems, merely because of their easy to use and install Operating System and that their Operating System can be installed in Any Personal Computer ever made. But on the other hand Microsoft never really was a hit when it came to hardware that is where Apple comes in place, Apple always had that quality over quantity when it came to the computer hardware market. Apple had a wide variety of technological hardware, From the Macbook to Iphone, from Ipod to Ipad, Apple has influenced the computer market for years with its high-quality parts that made a standard for their products.

Task 5

Using information from task 4, Contrast and criticize how different organisations are under increasing pressure to keep their stakeholders happy

Task 5 addresses D1

Because of Microsoft's Easy to use OS, and Apple's High quality products, many different companies have been challenged to meet the standards of the high demands of their company's stakeholders. Companies like Samsung or HTC has been a competitor of Apple's products like the Iphone and the Ipad. Creating smart-phones and tablets, the problem is since Apple has basically pioneered the smart-phone and table industry, these other companies have been pressured to keep up with Apple's sales. Where in Microsoft's Operating system, rating the number 1 used OS to date, has pressured Linux and Mac OS (Apple's OS) when it came to Operating system sales. Microsoft and Apple have both met the standards of their stakeholders, delivering their promises of completing the objectives given by the their stakeholders to achieve their Goals, succeeding in these goals, thus keeping the