

# Silverstone



**ASSIGN  
BUSTER**

and Section # of XYZ Company, London, United Kingdom. To, Damon Hill, President BRDC, Silverstone, UK.

Subject: Analyzing the external environment for future strategic Management.

Respected Sir,

The Silverstone under your supervision has seen new heights of success and fame. Leadership is very important in steering the ship of an organization in the right direction. Since its origin in 1948, it has been growing into this remarkable race circuit and it has tremendous opportunity for development (Silverstone, 2010). However, the environmental dynamics are changing, prompting a change in the strategic development of much organization. This holds true for this immaculate circuit as well. Therefore, I am addressing some of the major changes that may be required in the circuit in the near future, or some variable that the company may need to keep under consideration while taking strategic decisions.

In order to evaluate the business environment, tools such as PESTEL and SWOT have been used. SWOT analyses internal environment as well as the external environment of the entity, whereas PESTEL is thorough external environmental analysis. Silverstone enjoys amazing brand equity and can easily attract sponsorships from people whenever an event is taking place there. Their biggest strength, the brand equity should be capitalized for further expansion plans and channelizing it towards catering to weaknesses. The biggest weakness is the fact that they are not allowed to increase their ticket price (Wadham, 2010); while pivoting through brand equity and the services Silverstone has been providing, they can increase the price marginally to reap greater profits. Also, such a successful organization needs

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to develop an organizational structure to increase responsibility and accountability. There is no presence of an organizational structure that may hamper its pace towards success (Silverstone, 2010).

The biggest opportunity that Silverstone is already working on is to provide the extended accommodation to people who want to have an extended stay at the track. This along with their extended marketing plans to reach out to women should help them gain a competitive advantage in their favour. In today's market, it is very important to gain advantage and increase market share; Silverstone is on the right track to get a better market share.

Silverstone should focus on marketing the brand name and not serve as a host, as it will diminish brand recognition of the customers (Silverstone, 2010).

Further analyzing the external environment through PESTEL, one realizes that one of the biggest issues that Silverstone faces is political. Silverstone may feel political pressure in the future to vacate the land as it does not bring in substantial revenue for them. They might have to negotiate and move their headquarters closer to Silverstone. Socially, Silverstone enjoys acceptance from government and people as it provide a legal race track to people, however, environmentally the noise pollution will be a concern for environmentalists (Silverstone, 2010). As the environmental concerns increase with time, the pressure will increase too. Otherwise, the investment analysis predicts that Silverstone is on the right track to provide world class quality to its customers through its added investments (Silverstone, 2010).

I hope this information and analysis helps you in understanding the external environment of Silverstone better and helps you to channelize your strengths to tackle them.

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Regards,

Mr. ABC

12th December 2010

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