

# Description and facts of business environment



**ASSIGN  
BUSTER**

The term 'business environment' refers to the external factors-includes factors outside the firm which can lead to opportunities and threats such as economic, governmental, legal, social and technological and internal factors-includes financial, marketing, operations capability and organization resources.

Many factors can be included as environmental factors – social, economic, cultural, geographical, technological, political, legal, and ecological factors; in addition to government policies, labor factors, competitive market conditions, location factors, emerging globalization, and so on. According to writers like W. F. Glueck and I. R. Jauch, the environment includes the factors outside the firm which can lead to opportunities or threats to the firm.

Although there are many factors, the most important are social-economic, technological, suppliers, competitors, and government.

### **PESTLE ANALYSIS:**

The SWITZERLAND Country Analysis analyzes the political, economic, social, technological, legal and environmental (PESTLE) structure of SWITZERLAND and provides a holistic view of the country from historical, current and future perspectives. Insightful analysis on critical current and future issues is possible through SCPT (strengths, challenges, prospects and threats/risks) analysis of the PESTLE segments. In addition, the PESTLE segments can be supplemented with relevant quantitative data to identify the Potential sources of competitive advantage for the country using The “Porter’s Diamond.

The role of government in Porter's Diamond Model is - acting as a catalyst and challenger; it is to encourage - or even push - companies to raise their aspirations and move to higher levels of competitive performance . As per 1848 federal constitution defines a system of direct democracy (sometimes called half-direct or representative direct democracy since it is aided by the more commonplace institutions of a parliamentary democracy). The instruments of Swiss direct democracy at the federal level, known as civic rights , include the right to submit a constitutional initiative and a referendum, both of which may overturn parliamentary decisions.

## **MACROECONOMIC INDICATORS:**

The deep understanding gained from country profiles can be used to plan business investment or market entry in a particular country. The insights provide ideas about key business opportunities. The profiles also provide an overview of the legal and regulatory framework to start or operate a business in the country. Typical uses of each PESTLE segment are:

**POLITICAL** - Political section provides understanding about the political system and key figures relevant to business in the country and governance indicators.

**ECONOMIC** - Economic section deals with the economic story of a country that provides a balanced assessment of significant macro-economic issues

**SOCIAL** - Social section enables understanding of customer demographics through income distribution, rural-urban segmentation and centres of affluence, healthcare and educational scenario.

LEGAL – Legal section provides information about the legal structure, corporate laws, laws to start a new business and the tax regime

TECHNOLOGICAL – Technological section provides strategic information on technology and telecom, technological laws and policies, technological gaps, patents and opportunity sectors in the country

ENVIRONMENTAL – Environmental section provides information on the country's performance on environmental indicators and policies

## **POLITICAL FACTORS**

The Landsgemeinde is an old form of direct democracy. It is still practised in two canton

Swiss citizens are subject to three legal jurisdictions: the commune, canton and federal levels.

## **ECONOMIC INDICATORS:**

The Omega [HYPERLINK “ http://en. wikipedia.](http://en.wikipedia.org/wiki/Omega_Speedmaster_Professional)

[org/wiki/Omega\\_Speedmaster\\_Professional”](http://en.wikipedia.org/wiki/Omega_Speedmaster_Professional) Speed master, a Swiss-made watch worn on the moon during the Apollo missions. In terms of value, Switzerland is responsible for half of the world production of watches.

Switzerland has a stable, modern and one of the most capitalist economies in the world. It has the highest European rating in the Index of Economic Freedom 2010, while also providing large coverage through public services. The nominal per capita GDP is higher than those of the larger western European economies and Japan, ranking 6th behind Luxembourg, Norway,

Qatar, Iceland and Ireland. The Swiss franc remains one of the world's strongest currencies with the lowest inflation rate.

Chemicals, health and pharmaceutical, measuring instruments, musical instruments, real estate, banking and insurance, tourism, and international organisations are important industries in Switzerland.

Switzerland is a member of a number of international economic organizations, including the United Nations, the World Trade Organization, the International Monetary Fund, the World Bank, and the Organisation for Economic Co-operation and Development.

### **SOCIETAL FACTORS:**

There are varied social factors influencing growth of country. Resident foreigners and temporary foreign workers make up about 22% of the population. Most of these (60%) are from European Union or EFTA countries. [119] Italians are the largest single group of foreigners with 17. 3% of total foreign population. They are followed by Germans (13. 2%), immigrants from Serbia and Montenegro (11. 5%) and Portugal (11. 3%).

Between two thirds and three quarters of the population live in urban areas. Switzerland has a dense network of cities, where large, medium and small cities are complementary . Switzerland has gone from a largely rural country to an urban one in just 70 years. Since 1935 urban development has claimed as much of the Swiss landscape as it did during the previous 2, 000 years

The Greater Zurich Area, home to 1. 5 million inhabitants and 150, 000 companies, has taken top position in some life quality surveys.

The Engadin Valley relates to tourism constitutes an important revenue for the less industrialised alpine regions.

If adjusted for purchasing power parity, Switzerland ranks 15th in the world for GDP per capita. Switzerland has the highest average wealth per adult at \$372, 692, followed by Norway, Australia and Singapore at \$326, 530, \$320, 909 and \$255, 488 respectively, with wealth defined by the value of financial and non-financial (such as real estate) assets. In 2005 the median household income in Switzerland was an estimated 95, 000 CHF, the equivalent of roughly 100, 000 USD (as of December 2010) in nominal terms.