

# The business enviroment

[Economics](#), [Macroeconomics](#)



There are several aspects to the Business Environment. In this paper I'm going to touch on five of these different aspects of business. I will touch on the role of business in the economy, comparing and contrasting the roles of for-profits and nonprofits, discussing the impact of current fiscal and monetary policy, outlining strategies of a product or service to access global markets, and selecting an organization and discussing the impact it has on social responsibility in regards to a stakeholder group. Business plays a large role in the economy, without business there would be no economy. By definition business is " any activity that provides goods and services in an effort to earn a profit" (McGowan, 2012, pg 3). Economy's definition is " a financial and social system of how resources flow through society, from production, to distribution, to consumption" ( McGowan, 2012, pg 17). Entrepreneurs risk their money and time to start businesses which produce products that get distributed throughout a financial and social system, which gets consumed. Businesses build wealth that gets redistributed throughout an economy, if businesses start to fail so will the economy that they are in. In an economy there are two main organizations, for-profit and nonprofit. For-profit organizations are businesses or companies that focus on solely generating financial gain. Nonprofit organizations are " business like establishments that employ people and produce goods and services with the fundamental goal of contributing to the community rather than generating financial gain" (McGowan, 2012, pg 6). Although they seem very different, both for-profit and nonprofit organizations are similar in their structure. They both have a board of directors that set policies and appoint a CEO or president that handles the day to day management of things such as hiring

and firing of personnel. Both Fiscal and Monetary policies impact the economy. Fiscal policy is “government efforts to influence the economy through taxation and spending” (McGowan, 2012 pg. 19). Current fiscal policy is having a huge impact on the economy; government is taxing the life out of the middle class with little relief in sight. The governments still rather give tax breaks to millionaires and billionaires that don’t need them, rather than to the average Joe that is struggling to survive on a meager salary. Government spending helped out large businesses and banks from going under while the smaller companies were forced to close. Monetary policy is the “federal reserve decisions that shape the economy by influencing interest rates and the supply of money” (McGowan, 2012, pg. 21). The Fed is going to keep the interest rates to near zero most likely into 2014 they have also bought \$2.3 trillion in bonds in hopes to encourage spending. Another aspect of the Business Environment is global marketing and how it is accessed. A product that I’m familiar with is motorcycle apparel. My strategy for accessing global markets would be to first, do extensive market research on which foreign markets have a higher propensity to buy such apparel and pick the top three. Then, I would create specific styles that fit that market and develop separate web sites in their languages where they would be able to place their orders. Next, I would ship the apparel and track the sales. Once sales have reached \$4million to \$5million I would start manufacturing on a larger scale and most likely, farm out the work of making the apparel to the lowest bidder with the highest quality. The impact of an organization’s level of social responsibility on a stakeholder group is important in the Business Environment. Best Buy has a huge impact on their

employees when it comes to social responsibility. A socially responsible company knows their employees need a healthy balance between work life and personal life but, all too often big companies turn a blind eye. During the holiday season it is close to impossible for their employees to take off with the worst of the days being the week of thanksgiving. In 2011 Best Buy and several other companies opened their stores at 10pm thanksgiving day, expecting their employees to leave their families, most of them right after they finished dinner to work 15 to 20 hour days! All too often, companies place greed and quick profits over social responsibility forgetting the fact that happy employees make happy customers which equals large profits. In conclusion, there are several different aspects to the business environment. In the business environment it is important to look at the whole picture. In this paper I discussed the role of business and the effects it has on the economy, compared and contrasted the roles of for-profits and nonprofits, talked about the impact of current fiscal and monetary policy, outlined strategies on how to access global markets for a product or service, and selected an organization and discussed its impact on social responsibility in regards to a stakeholder group. References McGowan, Kelly. (2012). BUSN (4th edition). Mason, OH: Cengage Learning