

# Specific guidelines essay sample

[Business](#), [Marketing](#)



The external environment can be understood to include factors such as political, environmental, social and technological impacts on the business. On successfully understanding the external environment, the next step is for the organization to interpret the possible effects of such external environment on its strategies. There are various ways in which the organization can achieve this objective. First and foremost, is the studying of trend. This can be done by observing the effect of the identified external factors on similar business operations in the past, and the strategies employed by the managers of such business, and if such strategies were successful or not. For instance, say, political instability (Anderson & Pain, 1975). What has been the impact of political instability on business operations and strategies in countries where such has been experienced?. Secondly, the organization could employ scientific methods such as market research to try and determine as well as interpret the effects of the external environment on the strategy and operations. Competition, which is an external environment to the business could for example be analyzed through market research to determine its impacts on an organization's operations and strategy.

External changes that may trigger business interests may include; appearance of stronger competition, emergence of unique technologies or even a shift in the demographic and market composition.

### **List threats and opportunities facing the business following the guidelines below;**

- When listing opportunities, business owners should think about emerging technologies, new and emerging markets, new customer categories, positive

changes in the competitive environment as well as other forces that are likely to contribute to business success (Aldrich, 1979)

- When listing threats, impact of shrinking markets, shortages of raw materials, consumer trend changes, new laws and regulations, threatening changes in the competitive environment, labor relations issues, likewise, think about expiring patents, new and expensive technology that the business is not likely to afford.

## **References**

Aldrich, H. (1979) *Organizations and Environments*. Prentice-Hall, Englewood Cliffs, NJ.

Anderson, C. & F. Paine (1975) 'Managerial perceptions and strategic behavior', *Academy of Management Journal*.

Grant, J. & W. King. (1979) 'Strategy formulation: analytical and normative models'. In Schendel, D. & C. Hofer (Eds), *Strategic Management-A New View of Business Policy and Planning*. Little, Brown: Boston.