

# [Macro and micro environmental analysis: proton](https://assignbuster.com/macro-and-micro-environmental-analysis-proton/)

Macro:

Macro environment refers to the overwhelming and external factors that the firms cannot have the influence on which can affect its business if not addressed. The economy of Malaysia has been in a healthy growth, however it the year of 2012 has dropped. In addition, the inflation rates of the year 2012 have dropped from a whopping 2. 7 to satisfactory 1. 3 during a year.

These factors have directly affected the inflation and unemployment rates of Malaysia, this is because the inflation rates have fallen and the unemployment rated have fallen as well.

Micro:

Micro environment refers to the internal factors that relates to a business environment which can affect the business’ operation. These factors are suppliers, shareholders, competitors, customers and distributors. These factors have played a very big rule in the performance of proton, where proton has a big problem with their suppliers, as well as a drop in its market shares, as they have a big competitor in the market which is Perodua, the other factor that has affected proton is the customs, where Proton is facing difficulties in dealing with their customers, in fact proton is losing its customers due to the lack of service and lack of trust.

Cross Culture and Global Issues:

Being an automobile industry, this firm has to deal with other cultures on a daily basis. Cultures are hard to define values, norm, and traditions. Understanding culture is an extremely complex concept. Various theories have been made on culture but the most projecting perhaps is of Greet Hofstede’s.

Hosfsted’s Cultural Dimensions:

Collectivism and Individualism: This refers to the extent to which people of a country a willing to work together. In collectivistic societies people tend to better put the groups needs first eliminating personal goals, whereas countries with invidualistic culture have follow personal or individual attainment over the groups.

Power Distance: this refers to the extent to which people accept the hierarchal position to be authority in the business environment. Meaning in high power distance societies like Pakistan, India, Bangladesh, people tend to respect the authority because of their hierarchal of social status other than personal achievement like that in the low power distance societies like France, Italy.

Uncertainty Avoidance: Refers to the extent to which people accept change in the society. Countries like Indonesia, North Korea, and Japan represent a high uncertainty avoidance whereby they dislike change.

Masculinity and Feminism: relates to the role of women in different cultures, masculine culture believes Male to be the dominant part of the family and the only one allowed to support the family financially. Cultures with low masculinity dimension show females to be an important part of the workforce.

Global issues:

When it comes to addressing global issues to and automobile industry (Proton) most of the issues are relevant, whether it is of rising cost, taxation, global financial crises, regulations safety and health issues, all of the issues can be tracked back to an automobile industry (proton). There are many factors that Proton has to constrains before going overseas, for example, the tax fees is different in different countries, as well as the economic condition which will affect the sales, these are some of the issues that have to be addressed from Proton.

Business volatility and risk Management:

Considering the automobile industry (Proton), it took thousands of failed attempts before finally making a plane that could’ve worked. With every attempt being shot down, the amount of risk involved kept increasing but it was a necessary evil to reach to the point now where cars are made with perfection and counter abilities to have a safe driving.

In the case of Proton, there are a number of risks involved which the mangers in charge have to think about. Initially, since the automobile industry is a huge business, the risk of investing enormous capital is the prime risk which decides the fate of the operation. Secondly, there is the risk of economic decline or inflation to sweep over which would directly affect the businesses in the service industry such as carmakers. Thirdly comes the cost of the fluctuating cost of material steals globally which has been increasing. The point is not to note out the risks involved the point is to manage risks relating to the merger effectively.

Branding Success and Challenges:

Branding is a concept originated for as far back as the 1200 in Sweden, where they used to burn insignia’s on a horse to differentiate it from others. For a company that wants its name out in the market, it takes extensive marketing, heavy funds, and a lot of patience because it takes a while. Reaching brand awareness is only the first step, and then the company needs to reach its target market, once it’s done then it comes Brand loyalty, whereby customers prefer choosing a brand they have become loyal to. If the brands present a particular negative perception of the company then it may take a long time and efforts to change the perception of the masses. For example, when Lexus was first revealed and appreciated by the masses, it was unknown that it belonged to Toyota, because of Toyota’s perception of being an economical and affordable automotive vehicle.

Business Sustainability:

It is one thing to start a business but it is another to sustain it. By sustaining it doesn’t always mean running it profitably, it also include social and environmental obligations, risk and opportunities it has. There are a number of ways in which companies can ensure their business sustainability which would be as follows;

* Shareholder engagement.
* Environmental management system.
* Reporting and disclosure.

If proton implements these sustainable strategies into their operation and monito the quality, sustainability can be expected.

Tuckman theories on teamwork:

Introduction

For the subject of Business and Commercial Awareness, we got an assignment to make a business plan for Proton. According to Dr Mahathir’s statement “ our immediate plan would be to change its strategy from being a maker of cheap cars to become a world standard car manufacture”.

Stage one: Forming

The class was divided into a group of five members, each of the members was giving a department to work on, and these departments are Finance, Operation, Human Resource, and marketing. Unfortunately I was given Finance department, where I have to analyse the current situation of Proton’s finance performance. However, before the assignment my knowledge of finance was substantially lower than an average final year student of Business Administration, but I have had a mind-set to not pay attention to things that do not interest me for as far back as I can remember.

Stage two: Storming

Then we moved into the second stage which is storming, in this stage we started to push against boundaries. We have many conflicts between us in the nature of our working style, where each of the members has a different working style, for example in marketing department, where Amir and Khider were handed this part, they had many issues in solving the problems which cause frustration to the entire group, as well as I was giving Finance department, which was a big challenge for my authority. As the team work wasn’t clearly defined, which cause us to feel overwhelmed by the workload. I believe that it was mission impossible for us to overcome the issues we were facing in this stage; we could not even come up with the framework for our strategies, which was a big disappointment. We end up working these issues out with Dr Tan, and finally we could move to the next step.

Stage three: Norming

In this stage we finally identified our goals, and each of the members is fully aware of the methods and the strategies which should be adopted in order to achieve our goal. As well as trust and apperception was built between us, where the leader of our group Ben was a big motivation for us, he has helped each of us to take responsibility for progress towards achieving the goal. As most of the discussions were conducted through a facebook page.

Stage four: Performing

In this stage we solved all the problems and issues by using appropriate controls, and we have achieved and effective and satisfying result. It was amazing that we worked collaboratively to achieve our goal, as there was caring from the members towards each there. For example Brain Scot was very helpful in helping me with my part in Finance department, he recommended me on how to finalize my part. In addition to, the commitment from the group members increased positively towards the group work comparing to the first stage.