

# Strategic Management Lecture Series

## *Business Environment*

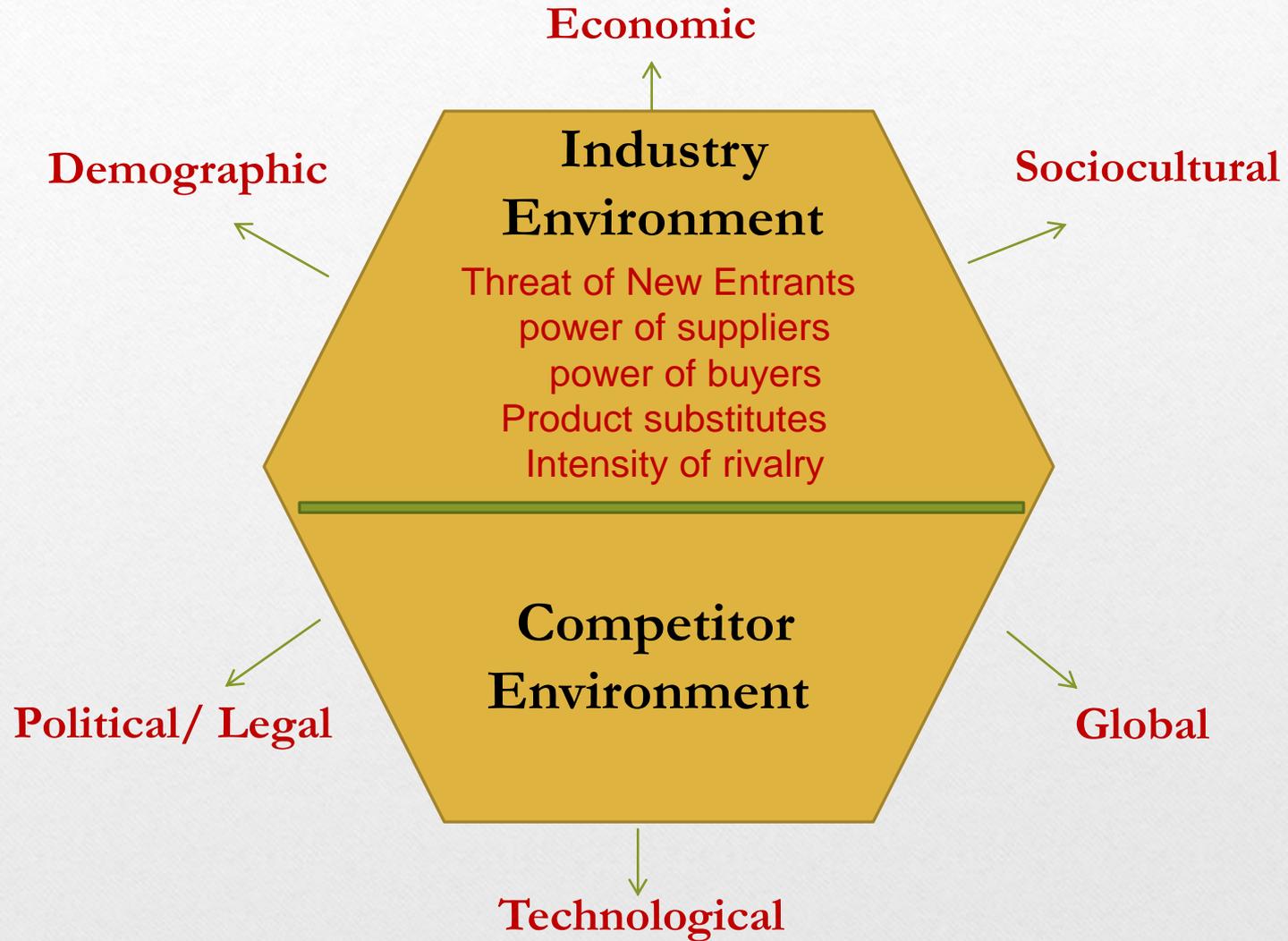
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# **BUSINESS ENVIRONMENT**

**Organization have a choice in how they manage their relationships with their environment . They can sit back and wait for the environment to change, without attempting to predict its behavior, and then react to changes as they happen.**

# Business Environment



# GENERAL ENVIRONMENT

**General environment is comprised of six segments over which you have no direct control but are of potential importance. These segments are demographic, economic, political/legal, socio-cultural, technological and global in nature.**

**A Description of all the six segments is given in coming pages.**

# Description of Segments

**Demographic Segment:** It deals with the Demographic aspect of the market area of the organisation. The conceptual fields of the study may:

- Population size
- Ethnic mix
- Age structure
- Income distribution
- Geographic distribution

**Economic Segment:** It deals with the Economic aspect of the market area of the organisation. The conceptual fields of the study may:

- Inflation rates
- Personal savings rate
- Interest rates
- Business savings rates
- Trade deficits or surpluses
- Gross domestic product
- Budget deficits or surpluses

# Description of Segments

**Political/Legal Segment:** It deals with the political or legal aspect of the area of the market area of the organisation.

**The conceptual fields of study are:**

- Antitrust laws
- Labour training laws
- Taxations laws
- Educational philosophies & policies
- Deregulation philosophies

**Socio-cultural Segment:** It deals with the Social and Cultural aspect of the area of the market area of the organisation. **The conceptual fields of study are:**

- Women in the workforce
- Workforce Diversity
- Shifts in work & career
- Quality of Work Life
- Product & Service Characteristics

# Description of Segments

**Technological Segment: It deals with the technological aspect of the market area of the organisation. It includes:**

- Product innovations
- Focus of private & govt. supported R&D expenditures
- Applications of knowledge
- New communication Technologies

**Global Segment: It deals with the global aspect of the market area of the Organisation. It includes:**

- important political events
- Newly industrialized countries
- Critical global markets
- Different cultural & institutional attributes

**THANK YOU**