



3. The impact of external forces on XYZ Ltd

Notes for M3

[This section should develop the section 2 outline descriptions and either: a) extend the analysis to discuss the relevance to the particular business (e.g. to what extent do specific environmental factors affect their actions?) or b) outline *specific* factors that cause the business to adopt a particular course of action. An example of this could be a particular government policy, such as the government housing initiative mentioned in the Sekura Group Case study, which affords business opportunities.]

Other examples of the impact of external forces on a company such as XYZ Ltd could be:

Legal

Company law regulations about directors, shareholders and the requirement for a company secretary.

Product safety regulations alter product features.

EU Directives can cause changes to specific activities.

Economic

The growth of overseas competition in particular markets may affect prices and jobs.

Interest rates, exchange rates affecting particular products (pricing, costs).

Employment rates in the region (skilled workers expensive, hard to attract).

Social

XYZ Ltd might introduce flexible working or shift working.

The company might introduce 'family friendly' employment practices.

Environmental

Waste-efficient production techniques might be introduced.

Low emission vehicles may be purchased.

Corporate Social Responsibility reports may be written in environmental terms.

Political

The local political party in control of a council might be hostile to a businesses location.

Party politics may prevent certain operational developments (no new build).

Party politics may prefer a particular area rather than another (no grants or support).

The national political landscape could change and policy emphasis work against what the business does.

EU policies can direct the UK government to take specific action affecting XYZ.

EU and UK government funding changes can remove streams of revenue that are of benefit to XYZ Ltd.