BUSINESS AND THE BUSINESS ENVIRONMENT
Executive Summary

The aim of this report is to get a thorough knowledge and understanding based on the chosen business and the functions that are carried out with the wider business environments. Focus has been laid on the various types of organizations, their sizes and scopes and the way they seek to operate them. This has helped to explore the wide range of opportunities and relationship among the organizations followed by the external environment influence and impact.
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Introduction

Business environment relates to both the external and internal factors that influence the business. The report has put focus on the different types, size and scope of organizations followed by interrelationship of various organizational functions that link to their business structure. By carrying out analysis, further focus is paid on the positive and negative influence that impacts the macro environment of a given business.

LO1:

P1: Explain different types and purposes of organization

<table>
<thead>
<tr>
<th>Definition</th>
<th>Public</th>
<th>Private</th>
<th>Voluntary</th>
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<tr>
<td><strong>Definition</strong></td>
<td>They involve the not-for-profit government owned organizations that provide services solely for social purposes.</td>
<td>They include the for-profit organizations that are both government owned and by other private bodies including individuals and groups.</td>
<td>They include those bodies that carry out social activities undertaken especially by some specified not for profit organizations which are also nongovernmental in nature.</td>
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<td><strong>Purpose</strong></td>
<td>The public sector enterprises are the government owned bodies that seek to deliver public goods and governmental, services including military, police, public infrastructures, public transits and such for the betterment of the society.</td>
<td>They are an integral part of the country’s economic system which is owned by private individuals and groups thereby running operations for making profit. They are also an important source of growth and development and generation of per capita income for the country thereby widening the country’s GDP (Hillary, 2017).</td>
<td>Being comprised of various organizations, there sole purpose lie in providing benefits and enriching the society at large without any return for profit. They further create social wealth and help in the improvement of the society.</td>
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<td><strong>Relation to the chosen organization</strong></td>
<td>Taking the example of Virgin money, which is one of the leading UK</td>
<td>Taking the example of TESCO which is a British multinational</td>
<td>Taking the example of Cancer Research UK, light has been shed on</td>
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challenger banks, focus has been laid on the approach that seek to offer a good value to the customers thereby delivering a positive contribution towards the society.

retail company, has been seeking to lay emphasis on generating a huge range of revenue and net income, thereby Seeking to obtain a competitive advantage of their own.

their social services thereby conducting research and campaigns for preventing cancer form the society. Being voluntarily working, they seek to spread awareness amongst all for eradicating the disease in all levels.

**Legal structures of Virgin money:** being a leading UK challenger bank, they have focused on the residential mortgages, savings and credit cards followed by a range of complementary financial products including investments and insurance. This has not only helped them to provide a positive contribution to the society but also build a positive relationship with their partners thereby developing sustainable profits to their shareholders.

**Legal structures of TESCO:** the company has diversified their geographical and retail hold thereby focusing on the key supermarket, hypermarkets, superstores and convenience shops thereby selling a lot many products altogether. This has enabled them to open up a total of 6,553 stores thereby serving internally.

**Legal structures of cancer Research UK:** the company has met their purpose min continuing their fight against the disease by taking the help of the nurses, doctors and social activists to strengthen their infrastructure and progress. By holding an effective entrepreneurship, they have further been able to support their internal structure and include 9 clinical trial units, 17 Experimental cancer Medicine Centers, 7 Graduate training programs and such.

**P2: size and scope of a range of different types of organizations (M1 and M2)**

<table>
<thead>
<tr>
<th>Size</th>
<th>Micro enterprises:</th>
<th>Small enterprises:</th>
<th>Medium and large enterprises:</th>
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<td></td>
<td>They include the small businesses sectors where the employment level is low along with a low</td>
<td>They are owned by the independent bodies and include a small number of workers seeking to</td>
<td>They include both employees working as voluntary memberships and mostly involve the</td>
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Taking the example of the three types of organizational structures and type, focus has been laid on each of their size and scope. The micro sectors are not only large in their number but also seek to work for enhancing the income and growth opportunities for the developing countries. Cancer research being a voluntary based organization requires low investment costs but seeks to work with a wider organizational goal of eradicating cancer globally thereby working in all areas for social cause. Their biggest advantage lay in the freedom and fulfillment of employee and customer needs which helps them to grow (Rostamkalaei. and Freel, 2016). The disadvantage lies in the financial risks and presence of competition which poses as a big problem in their way of development. The small enterprises include companies such as TESCO which are retail sectors that seek to enhance their business and increase their sales volume thereby holding partnerships with other companies or individuals to meet their purpose. They have the advantage of getting a stronghold over management and control by the owners thereby adapting quickly to meet customer needs. The disadvantage includes the limited daces to sources of finance (Charles Jr et al. 2017). The medium and large enterprises include examples such as Virgin money which

<table>
<thead>
<tr>
<th>Scope</th>
<th>Investment capital. enhance their business for the long run thereby increasing their sales volume.</th>
<th>multinational bodies that have the possibility of increasing their growth at a fast pace.</th>
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<tbody>
<tr>
<td>Developing countries constitute of this type of enterprise in a large number where all the necessities are compelled by the micro entrepreneurs. This adds to the value of their economy thereby widening the scope for better income opportunities and growth and lowering of the business costs. Cancer Research UK is a suitable example of this type.</td>
<td>They are the private bodies owned by sole proprietors where they work in partnership and has the chance of varying in their size and revenue structure accordingly (Bryman, and Bell, 2015). TESCO is a suitable example of this type.</td>
<td>They include the multinational companies that work as a part of the government sector thereby earning huge revenues. The capital that is earned is kept aside for future developmental purposes thereby seeking to develop the internal aspects of the company further. Virgin money is a suitable example of this type.</td>
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</table>
is a government bank based in UK and has been solely working as a not-for-profit company thereby working their channels to help customers by providing loans and advances thereby working for the benefit of all. Their advantage lie in their flexibility and close relationship with customers while the weakness they possess is to maintain loyalty of the customers and difficulties in terms of funding.

LO2

P3: Relationship between different organizational functions and their linkage to organisational objectives and structure

With the increasing competition and risks, various departmental roles have come up within the companies so as to help them maintain a suitable position of their own.

**Marketing:** they are one of the most integral parts of the business operations which help them to develop a string relationship and interaction with the customers and the other businesses. They are further responsible to deliver a string brand image of the given organization thereby carrying out an active participation relating to various publicity active and customer interaction using effective tools and methods (Storey, 2016).

**Finance:** They are other important department that controls the various expenditures of the company followed by other legal obligations thereby managing the entire investment process of the company so as to maintain their profits.

**HR:** they carry out an effective and strategic management of their internal work processes hereby utilizing all the business resources efficiently. They further focus on carrying out an effective recruitment process thereby hiring the best employees to add on to the company’s benefit and help in increasing their productivity.

**Operations:** they seek to oversee the entire production process thereby bringing out a smooth and efficient service so as to meet up to the expectations and needs of the customers duly.
LO3:

P4: positive and negative impacts of macro environment upon the business operations, supported (M3)

<table>
<thead>
<tr>
<th>PESTEL</th>
<th>Analysis</th>
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<tr>
<td>Political</td>
<td>Being an internationally acclaimed bank, they have been operating in UK, Australia South Africa and such, under various laws, regulations and policies the company therefore needs to acknowledge these laws and adopt them to operate successfully and effectively in their financial system, they have also been provided various protection strategies against governmental restrictions and limitations to safeguard their position.</td>
</tr>
<tr>
<td>Economic</td>
<td>Virgin Money has experienced a massive growth in terms of stability of the economic factors followed by various foreign exchange rates and stock markets on a global scale (Crane and Matten, 2016). Their chairman has therefore acclaimed making necessary economic changes within their company to widen their development and operations. This has further helped them to cope up with the 2008 financial crisis.</td>
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<tr>
<td>Social</td>
<td>In order to become successful in business, they have made various attempts to satisfy their customers. This has enabled them, to put focus on the changing social trends with changing customer needs.</td>
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<td>Technological</td>
<td>Virgin Money has made various technological advancements thereby protecting themselves from cyber attacks. Further they have taken steps to protect the customer data thereby implying various technical management teams to improve their functionality.</td>
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<tr>
<td>Environmental</td>
<td>They have set goals to reduce carbon emission thereby developing procedures to improve their technology and add onto a sustainable engagement and supply chain collaboration.</td>
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<tr>
<td>Legal</td>
<td>Being governed by various rules and regulation, the company has laid emphasis on adopting payment protection insurances</td>
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thereby avoiding any future bad publicity from maturing up. They have further adopted the FCA act to handle their PPI claims thereby developing their operations further (Besley, 2015).

LO4:

P5: Internal and external analysis of specific organisations in order to identify strengths and weaknesses

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
<th>Opportunities</th>
<th>Threats</th>
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<tbody>
<tr>
<td>• They have become a master of building brand value</td>
<td>• They have become a monopolistic company where their expansion has now put it in a critical position</td>
<td>• They provide old services using new modes which further make them innovative and increase in their opportunities for further growth</td>
<td>• Presence of global competition</td>
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<tr>
<td>• They offer a wide range of customer choices.</td>
<td>• They consist of minimal management layers and a weak board.</td>
<td>• They have been able to reduce their operating costs thereby applying effective strategies.</td>
<td>• Increase in financial crime</td>
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</tbody>
</table>

P6: interrelation of strengths and weaknesses with external macro factors (M4)

Using a TOWS matrix model, focus has been laid on the interrelationship between factors for Virgin Money.
Threats:

- Presence of a huge competition within the banking industry of UK due to presence of other multinational companies such as HSBC.
- There has been an increased growth of pawn shops thereby wakening the loan growth
- There is a huge chance for failure ion investment transactions which affect the company’s development and decision makings for meeting the future goals.

Opportunities:

- The company has been expanding their branches slowly towards the developing countries such as South Africa.
- They have applied high end promotions to attract new customers and increase their online banking users thereby meeting the set targets (Bendell, 2017).

Weaknesses

- The company still lags behind in terms of obtaining the most advanced technology which leads to an unproductive set of workers and lack of online investment.
- They also possess poor interest rates which limit their possibilities of growth.

Strengths:

- They possess an effective and excellent management system within which helps them to carry out effective decisions within.
- They constitute of a suitable reliability and transparency thereby developing a string relationship with the clients (Rostamkalaei and Freel, 2016).

Conclusion

The report therefore infers by stating an understanding of the various business functions and related environment with focus on Virgin Money in the UK context. Focus has been given on the various types of organizations, their sizes and scopes and the way they seek to operate them.
Further exploration has been made on the wide range of scope and size of the various business types thereby analyzing the company’s micro and macro aspects effectively.
Reference list


