

Unit 1: Business and the Business Environment

Unit code	T/618/5032
Unit type	Core
Unit level	4
Credit value	15

Introduction

Business activity is fundamental and universal to our everyday lives. Business organisations may differ in many ways, depending on the industry in which they operate globally, but they do share one common feature: the transformation of inputs into outputs. This transformation process takes place against a background of external influences that impact on business activity. The external environment in which business organisations operate is dynamic, complex, volatile and interactive.

The aim of this unit is to give students background knowledge and understanding of business, of the functions of an organisation and of the wider business environments in which organisations operate. Students will examine the different types of organisations (including for profit and not for profit), their size and scope (for instance micro, SME, transnational and global) and how they operate. Students will explore the relationships that organisations have with their various stakeholders and how the wider external environments influence and shape business decision making.

The knowledge, understanding and skill sets that students gain in this unit will help them to have an insight into different business functions, which will support them with further study, support the development of analytical thinking and the application of key analytical tools used throughout business planning, and enable them to choose their preferred areas of specialism in future studies and in their professional career.

Learning Outcomes

By the end of this unit a student will be able to:

- LO1 Explain the different types, size and scope of organisations
- LO2 Demonstrate the interrelationship of the various functions within an organisation and how they link to organisational structure
- LO3 Use contemporary examples to demonstrate both the positive and negative influence/impact the macro environment has on business operations
- LO4 Determine the internal strengths and weaknesses of specific businesses and their interrelationship with external macro factors.

Essential Content

LO1 Explain the different types, size and scope of organisations

Different types of organisations:

Differences between for profit and not for profit and non-government organisations (NGOs).

Micro-, small-, medium-sized enterprises (SMEs). Different business purposes, objectives and supply of goods and services.

The range of legal structures associated with different forms of business: sole traders, partnerships, limited companies.

Size and scope of organisations:

Differences between large-, medium-sized and small organisations, including objectives and goals, market share, profit share, growth and sustainability.

Global growth and developments of transnational, international and global organisations.

Differences between franchising, joint ventures and licensing.

Industrial structures and competitive analysis.

Market forces and economic operations, e.g. scarcity and choice, supply and demand, income elasticity.

Stakeholders and responsibilities of organisations to meet different stakeholder interests and expectations.

LO2 Demonstrate the interrelationship of the various functions within an organisation and how they link to organisational structure

The various functions within an organisation:

The role of marketing, finance, human resource management and operations within an organisational context and the interrelationships.

Functions in relation to overall organisation mission and objectives.

Organisational structure:

Different structures depending on the size and scope of the organisation, including bureaucratic and post-bureaucratic, parent, strategic business units (SBUs), matrix and functional levels.

The virtual organisation and flexible, fluid structures that are geographically dispersed.

Organisation structures and complexities of transnational, international and global organisations.

LO3 Use contemporary examples to demonstrate both the positive and negative influence/impact the macro environment has on business operations

The context of the macro environment:

The different political, economic, social, technological, legal and environmental factors that influence and impact the business environment.

The PESTLE framework as an analytical tool to monitor and forecast external influences.

Different spatial levels of external influences, e.g. local, regional, national, international

The macro factors that influence and impact on business activities:

The transformation of the work environment, the changing and emerging markets, the global shift in economic and social power due to international global crisis.

The impact of emerging digital technologies on production and consumption of products and services including:

- social and mobile technologies to engage and extend customer reach
- cloud technologies for making business more agile, collaborative and efficient
- Artificial Intelligence (AI) to sustain competitive advantage.
- Blockchain for e-commerce

Emerging new sectors creating new career opportunities due to new technologies e.g. data and analytics, digital advertising

The impacts of increased innovation and disruptive innovation.

The growth of data analytics and business intelligence using Big Data, to inform decision making, the rise of cybersecurity and data protection.

The impact of globalisation, e.g. changing workforce, cultural diversity.

The growth of ethical considerations and sustainable business, e.g. equality and diversity and corporate social responsibility.

Organisation operations:

Organisations' responses to transformation and managing resistance to change in response to a highly volatile and changing market environment.

Dealing with unexpected crises that affect business operations and activities, e.g. crisis management and recovery.

LO4 Determine the internal strengths and weaknesses of specific businesses and their interrelationship with external macro factors.

Frameworks for analysis:

Introduction to SWOT and/or TOWS analysis and how they can assist in the decision-making process and feed into business planning in organisations.

Different applications of SWOT analysis, e.g. for market positioning, commercial viability, launching a new product, methods of sales distribution.

Internal vs external factors:

Internal factors relating to products, pricing, costs, profitability, performance, quality, people, skills, adaptability, brands, services, reputation, processes, infrastructure.

Key external factors that inform opportunities and threats, including the competitive environment and government intervention, that influence organisations and business.

Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
LO1 Explain the different types, size and scope of organisations		LO1 and LO2 D1 Provide critical analysis of the complexities of different organisations and structures.
P1 Explain different types and purposes of organisations; public, private and voluntary sectors and legal structures. P2 Explain the size and scope of a range of different types of organisations.	M1 Analyse how the structure, size and scope of different organisations link to the business objectives and product and services offered by the organisations.	
LO2 Demonstrate the interrelationship of the various functions within an organisation and how they link to organisational structure		
P3 Explain the relationship between different organisational functions and how they link to organisational objectives and structure.	M2 Analyse the interrelationships between organisational functions and the impact that can have upon organisational structure.	

Pass	Merit	Distinction
L03 Use contemporary examples to demonstrate both the positive and negative influence/impact the macro environment has on business operations		
P4 Identify the positive and negative impacts the macro environment has on business operations, supported by specific examples.	M3 Apply appropriately the PESTLE model to support a detailed analysis of the macro environment in an organisation.	L03 and L04 D2 Critically evaluate the impacts that both macro- and micro factors have on business objectives and decision making.
L04 Determine the internal strengths and weaknesses of specific businesses and their interrelationship with external macro factors.		
P5 Conduct internal and external analysis of specific organisations in order to identify strengths and weaknesses. P6 Explain how strengths and weaknesses interrelate with external macro factors.	M4 Apply appropriately SWOT/TOWS analysis and justify how they influence decision making.	

Recommended Resources

Textbooks

BURNS, J. and NEEDLE, D. (2019) *Business in Context: An Introduction to Business and its Environment*. 7th Ed. Cengage Learning.

MORRISON, J. (2020) *The Global Business Environment: Towards Sustainability?* 5th Ed. Red Globe Press.

WETHERLEY, P. (Editor) and OTTER, D. (2018) *The Business Environment: Themes and Issues in a Globalised World*. 4th Ed. Oxford: Oxford University Press.

WORTHINGTON, I. and BRITTON, C. (2018) *The Business Environment*. 8th Ed. Harlow: Pearson.

Websites

www.businessballs.com	Business Balls (General reference)
www.businesscasestudies.co.uk	Business Case Studies (case studies)
www.forbes.com	Forbes (General reference)
www.ibtimes.com	International Business Times Business (General reference)
www.ted.com	TED Talks Business and technology (Video resources)

Links

This unit links to the following related units:

Unit 2: Marketing Processes and Planning

Unit 25: Global Business Environment

Unit 43: Business Strategy