

IMPORTANCE OF BUSINESS ENVIRONMENT

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Identify opportunities and getting the first mover advantages

Identify threats and early warning signals

Coping with rapid changes

Tapping useful resources

Helps in planning and policy formulation

Helps in improving performance

IDENTIFY OPPORTUNITIES AND GETTING THE FIRST MOVER ADVANTAGES

Environment provides numerous opportunities for business men. Early identification of opportunities helps an enterprise to be the first to exploit them.

Identify threats and early warning signals

Threats refer to the changes in external environment that may affect the performance of the business.

Environment awareness can help managers to identify various threats on time and serve as a warning signal.

Helps in coping with rapid changes

Changes are taking place rapidly in today's business environment .In order to adjust with the changes ,managers must understand and examine the environment and develop suitable course of action.

Helps in tapping useful resources

Environment is a source of various resources for running a business. All business enterprise collects inputs from the environment and supplies its output for the customers.

Helps in assisting in planning and policy formulation

Environment provides inputs for effective planning and decision making. Business enterprise can formulate policies on the basis of the information they collected by studying the environment.

Helps in improving performance

The future of any organization largely relates to its ability to make changes according to changes in business environment. Thus environmental analysis helps them to improve their performance.

THANK YOU