

MICRO ENVIRONMENT

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PAPER

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TOPIC

Define the micro-environment.

- The micro environment of a business includes everything inside the business.
- All the internal affairs of the business are managed by the directors or the owners of the business.
- The business has full/complete control over its micro environment.

Discuss the various components of the micro (internal) business environment.

- vision, mission statement, goals and objectives
- organisational culture
- organisational resources
- management and leadership
- organisational structure
- eight business functions.

Vision:

The vision of a business describes its long-term goal, that is, where the business sees itself in the future.

Mission:

The mission statement describes what the business provides or produces, and why the business exists

Goals:

Goals are the long-term plans that the business wants to accomplish.

They serve as guidelines to help businesses achieve what they set out to do.

Objectives:

Objectives describe how goals will be achieved. They are the short-term steps that will guide the business owner on how their set goals can be accomplished/achieved.

Identify components of the micro environment from given scenarios.

Formulate/Evaluate a vision/mission statement, goals and objectives of any business.

Discuss the purpose of the organisational culture.

- The purpose of the organisational culture is to define the business' internal and external identity as well as its core values.
- A strong business culture has the power to turn employees into ambassadors of the business.
- It helps businesses to retain its employees and clients.
- It breaks down boundaries between teams, guides decision-making, and improves productivity.

Name/identify/Outline/Explain the organisational resources from given statements/scenarios.

Organisational resources

1. human resources
2. physical resources
3. financial resources
4. technological resources

Human resources

A set of people who make up the workforce of the business.

Physical resources

Tangible items that are used in the operation of the business

Financial resources

Refers to the capital that the business owns or has borrowed from a financial institute.

Technological resources

Technological resources are intangible resources

Management and leadership

Management

The management of a business is the process whereby an individual or individuals guide and direct the organisation to achieve its goals and objectives.

Leadership

Leadership is the ability of an individual to inspire, influence or motivate their subordinates to achieve the goals and objectives of the business.

Discuss the purpose/importance of a business organisational structure with specific reference to an organogram.

- Helping to ensure the smooth and efficient functioning of the business.
- Ensuring that work happens with precise co-ordination and minimum wastage of resources.
- Helping the business to work towards its goals.
- It describes the coordination between various departments in the business.

Example of an Organogram

