# 2. STRATEGIC ANALYSIS FOR INTERNATIONAL ENVIRONMENT

- 2.1 Definition of the problem
- 2.2 Division of the company environment
- 2.3 Methods for analysis

#### 2.1 DEFINITION OF THE PROBLEM

- The rules for management of business economics are not limiting by hational boarding.
- It is important to know the international specifics of management.
- The manager must be able to define the international environment using the tools of strategic analysis (ie. define the relevant indicators of the environment, and then analyze this defined indicators).

## 2.1 DEFINITION OF THE PROBLEM

• The manager responsible for expansion must know:

- division of the company environment;
- methods for analysis.

• There are two basic environment of the company:

a) internal environment;

b) external environment.

- Ad a) Internal environment:
  - it consists of:
    - culture;
    - resources,
    - structure, etc;
  - It is not important to us now.

- Ad b) External environment:
  - subdivided into:
    - 1) micro environment;
    - 2) macro environment.

- Ad b1) Micro environment:
  - immediately surrounds the company;
  - it consists of companies that are in competition with each other and whose products can substitute each other;
  - includes other entities such as suppliers, business customers, etc...

- Ad b2) Macro environment:
  - creates generally applicable conditions under which the company operates in a given country;
  - determines economic, demographic, political, legislative and technical conditions and social policy;
  - its part is worldwide;
  - is common to all micro environments and therefore to companies.

- Porter's five forces analysis:
  - method for the micro environment of a company analysis.
  - was created by Harvard Business School professor Michael Porter;
  - the method is used to analyze the attractiveness and likely profitability of the sector;
  - since its publication in 1979, it has become one of the most popular and highly regarded business strategy tools;

- Porter's five forces analysis:
  - this method encouraged the managers to:
    - look beyond the actions of their competitors;
    - examine what other factors could impact the by sines environment.

- Porter's five forces analysis:
  - identifies five forces that make up the competitive environment, and which can erode profitability of the company. These are:
    - supplier power;
    - competitive rivarly;
    - threat of new entry (entry of new companies)
    - strength of customers (buyer power);
    - threat of substitution.

- **PESTLE analysis:** 
  - used to analyse and monitor the macro environmental factors;
  - identifies six factors that may have a profound impact on an organisation's performance. These are:
    - political;
    - economic;
    - social;
    - technological;
    - legislative;
    - environmental.

- SWOT analysis:
  - this method serves as a summarizing analysis;
  - is a framework used to evaluate a company's competitive position and to develop strategic planning;
  - assesses internal and external factors (from a positive and negative perspective);

- SWOT analysis:
  - SWOT stands for:
    - strengths (internal and positive factor);
    - weaknesses (internal and negative factor);
    - opportunities (external and postive factor);
    - threats (external and negative factor).

# THANK YOU FOR YOUR ATTENTION