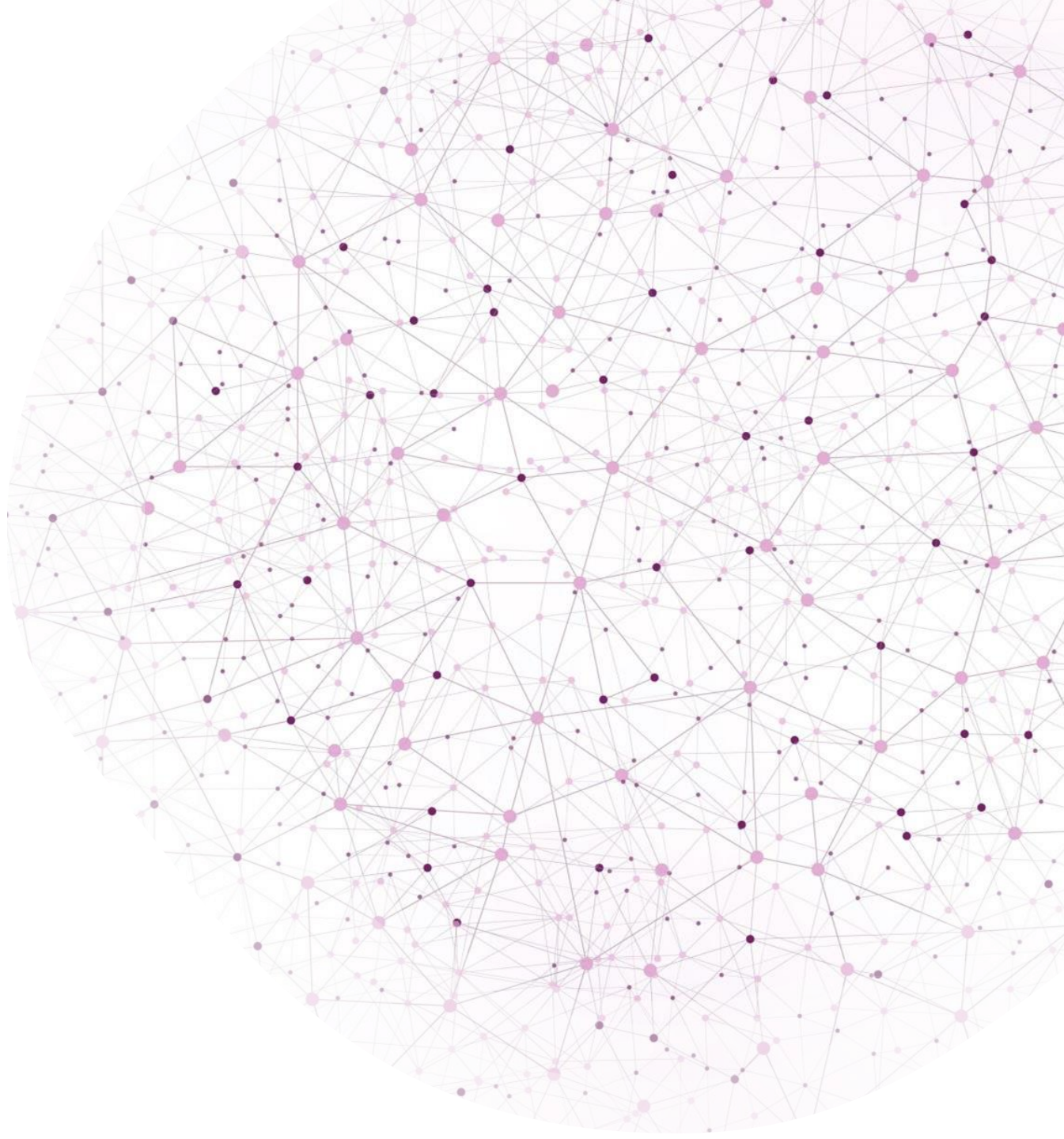


XASMB Small and Medium-Sized  
Business

Entrepreneurial  
environment

# Shedule

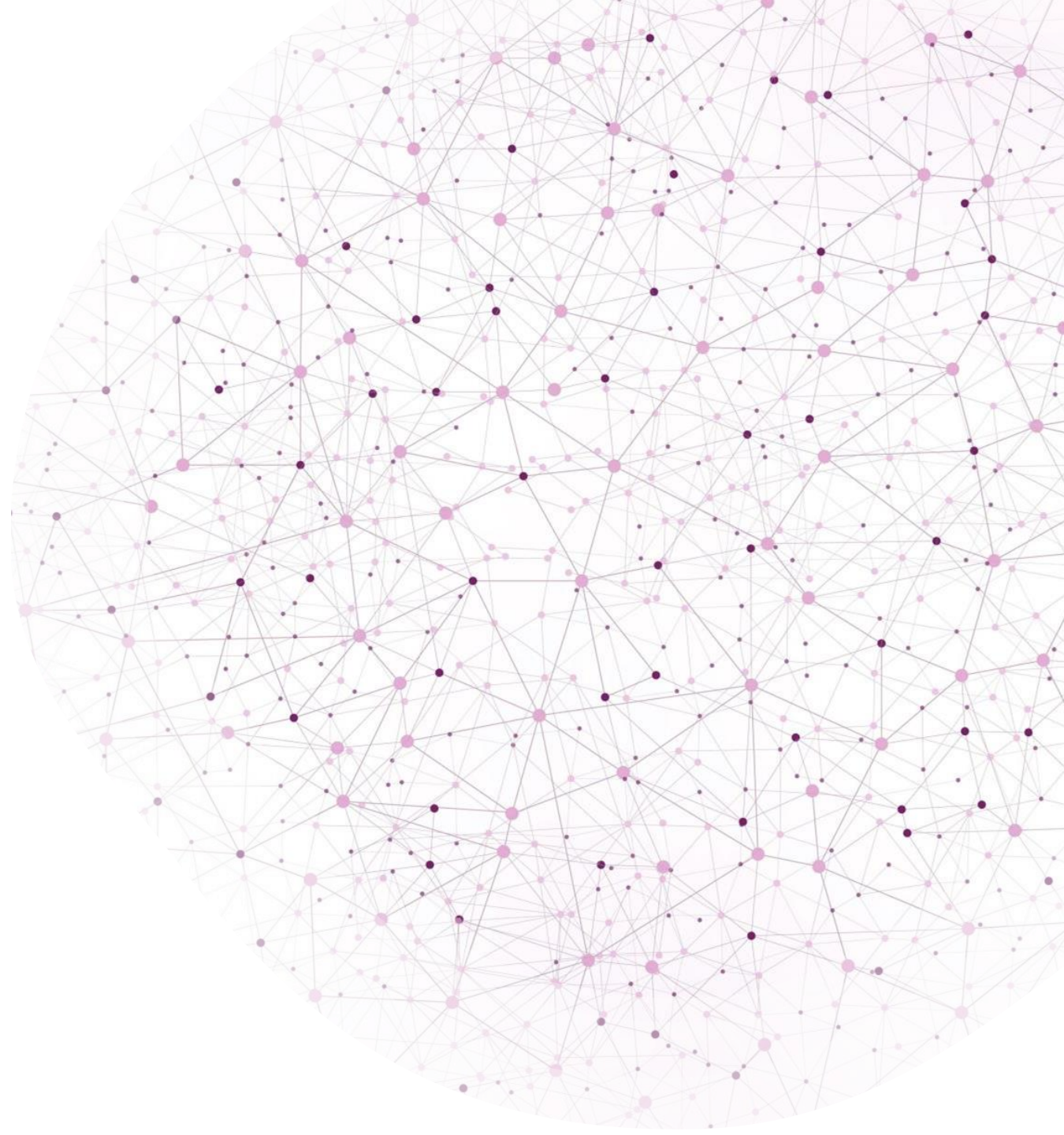
- 1) Business factors
- 2) Labour factors
- 3) Infrastructure factors
- 4) Local factors
- 5) Price factors
- 6) Environmental factors





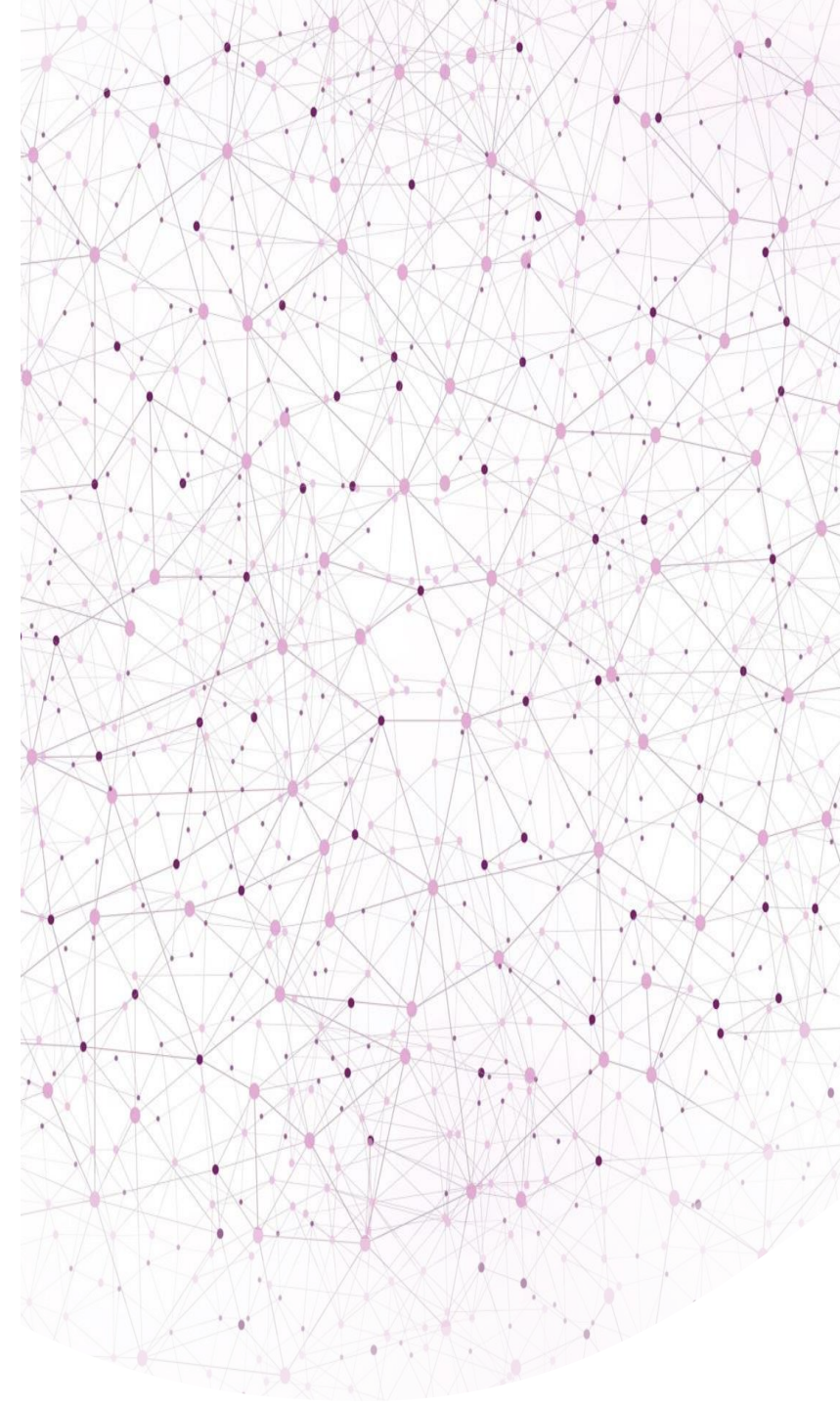
# Business Factors

*In evaluating the quality of the business environment, several factors play a crucial role. This group of factors includes the proximity of markets, the concentration of significant firms, the presence of foreign companies, and the availability of support services.*



# Proximity of Markets

- Significant information regarding the advantages of the geographical location of different regions in relation to the size of the economic potential of the most accessible markets.
- Insights into the spatial framework of market expansion potential for companies.
- Due to significant differences in corporate strategies focused on foreign and domestic markets, it is necessary to conduct separate analyses for both market groups.
- These differences mainly stem from the existence of significant limits or barriers to effective foreign expansion, both in objective and subjective character.
- Eliminating these barriers is facilitated by the activity of global institutions like the world trade organization and, primarily, economic integration among countries within the formation of multinational groups in the European union.
- This space is characterized by the shared area with the free movement of people, goods, and services.





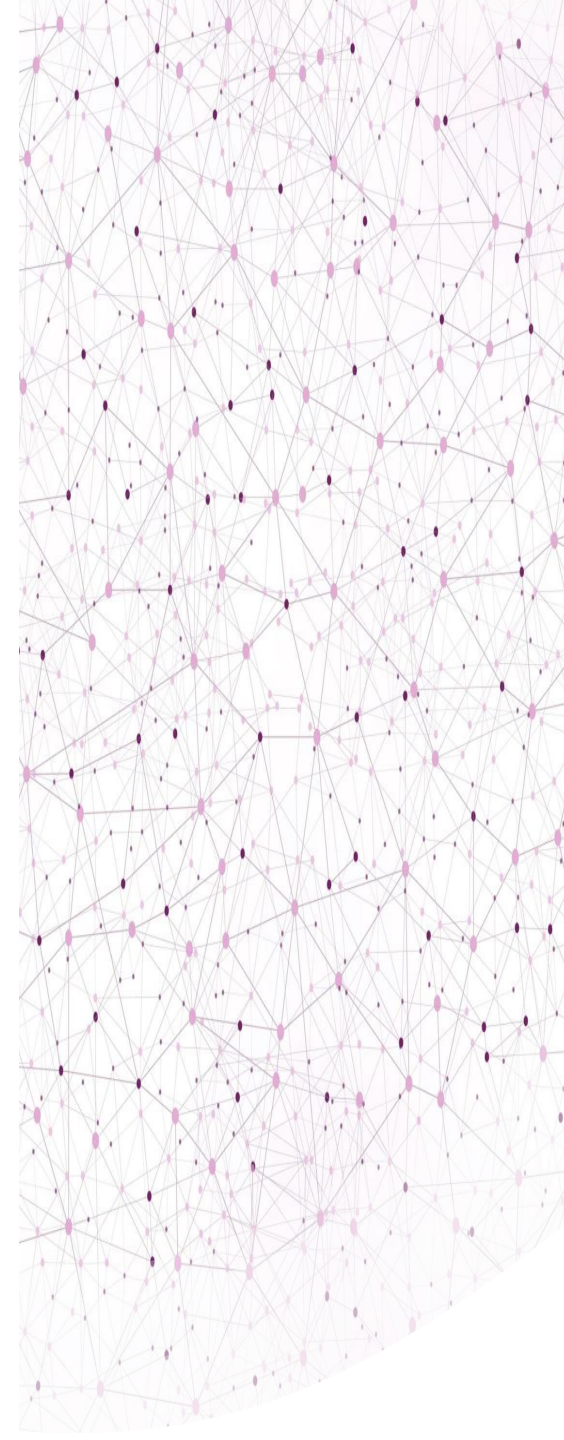


# Presence of Foreign Companies

- Reflects the positive influences of foreign capital or foreign investments on the integration of the host country into the global economy.
- Capital inflow and subsequent increases in the country's exports, labor productivity, and the supply of human capital.
- Spillover effects generated by the transfer of technologies and managerial know-how.
- Stimulating effects of foreign investment localization on the inflow of further foreign capital.

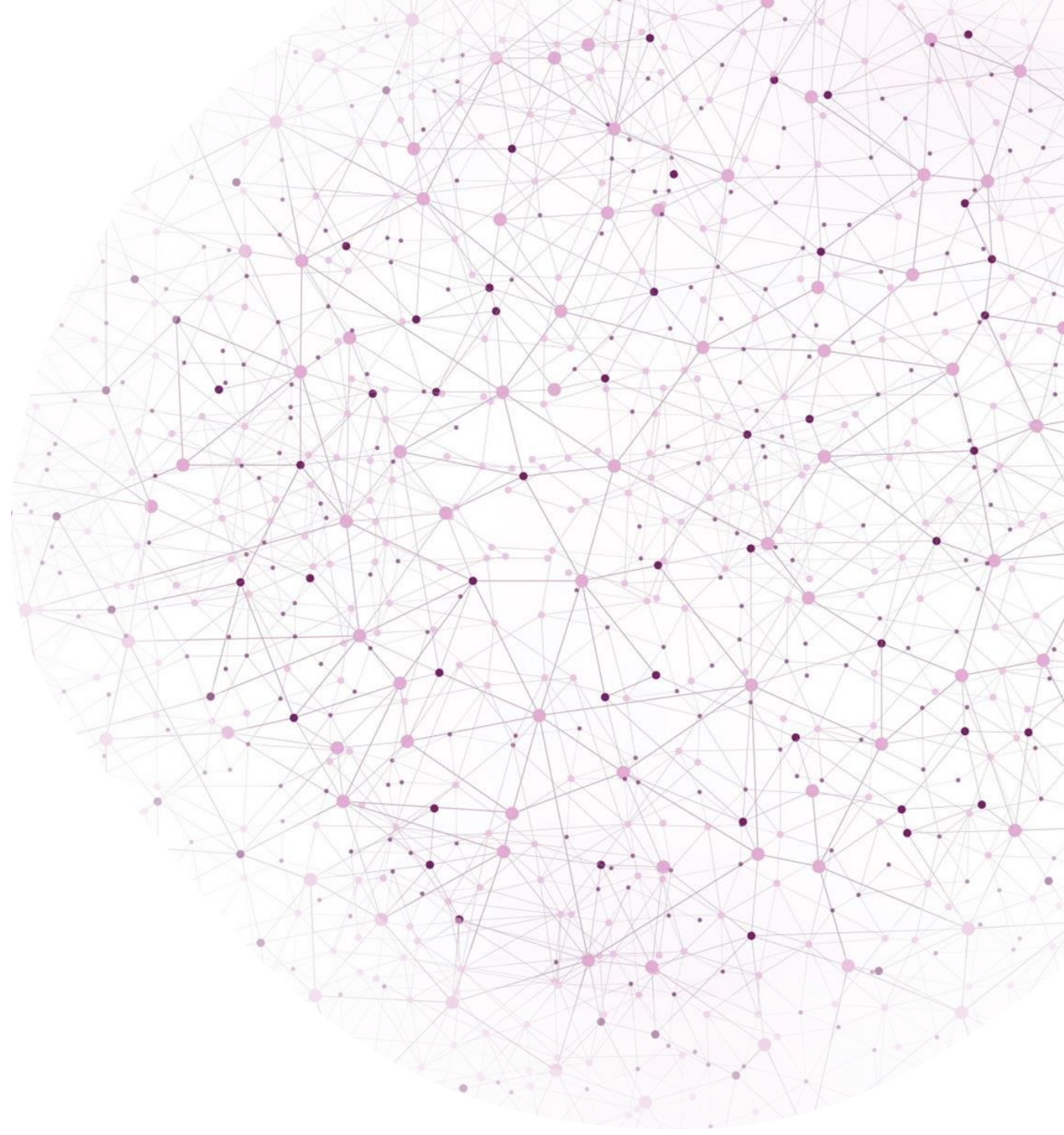
# Support Services Factor

- Support services on improving the quality of the business environment.
- Increasing demand for highly specialized entrepreneurial services, both from small and medium-sized businesses and large corporations.
- An essential prerequisite for the successful implementation of initiatives by entrepreneurs is the accessibility of support service factors.



# Labor Factors

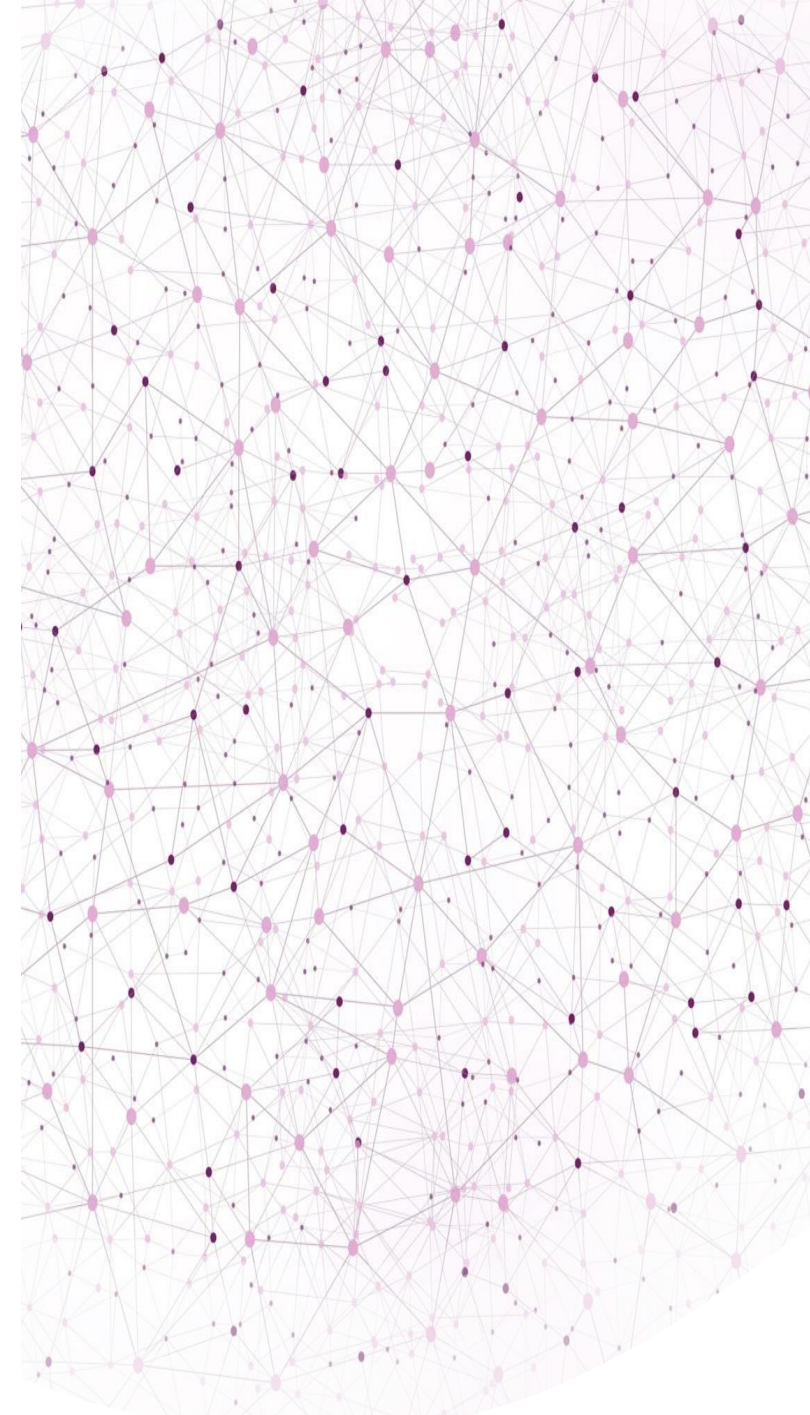
*From the perspective of evaluating the quality of the business environment, the group of labor factors can be considered the second most significant. This group includes the availability of labor, the quality of labor, and the flexibility or entrepreneurial spirit of the workforce.*





# Availability of Labor Factor

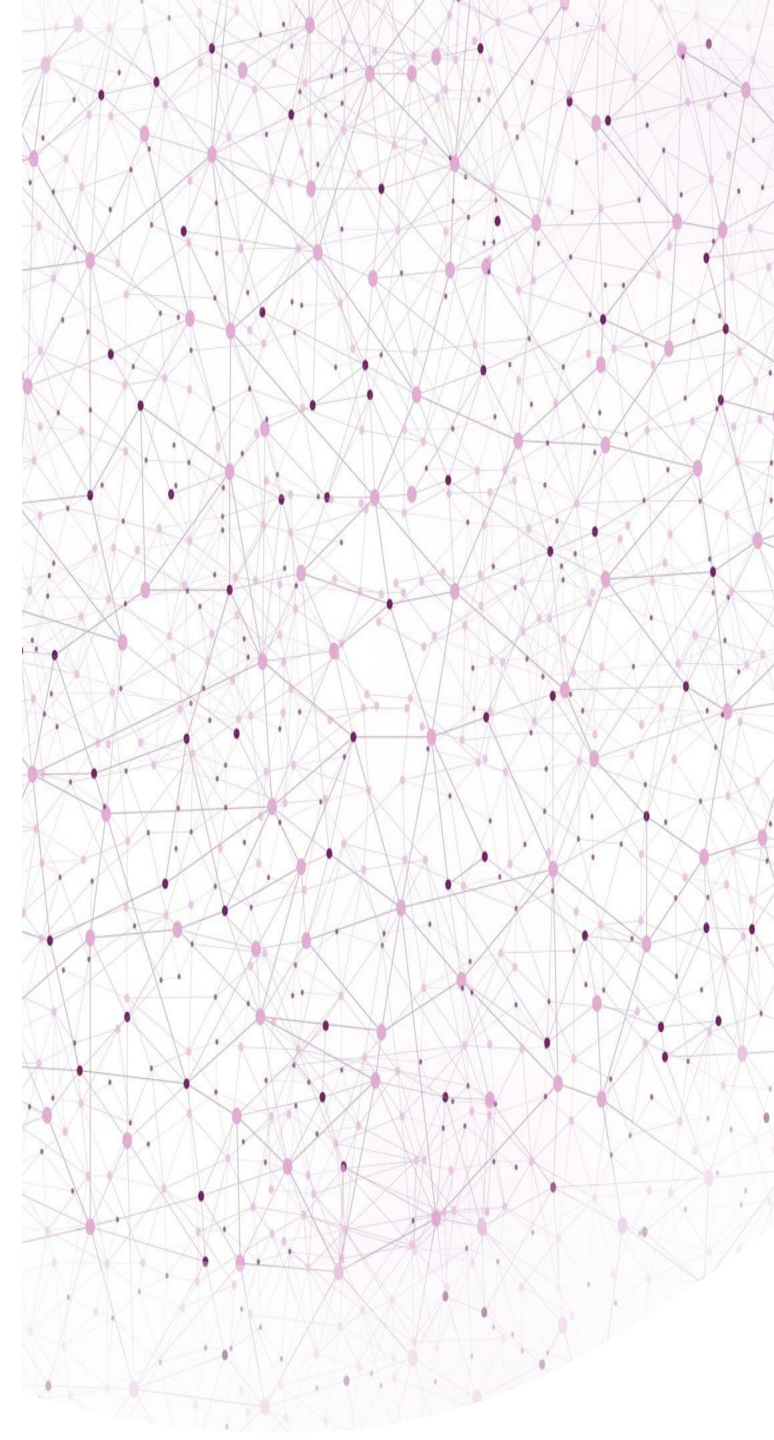
- Territorially specific information about the overall availability, or regional supply, of labor, which represents a fundamental and stable framework for satisfying the corresponding demand in both the private and public sectors.
- One of the crucial prerequisites for the implementation of major development projects in specific regions is the sufficient size of the labor force. The supply of labor is most significantly influenced by the total number of employable workers.
- Only a small portion of the economically active population is capable or willing to change their working environment within their current employment, especially considering jobs located in a different region.
- The best conditions for utilizing the potential of the workforce are achieved by placing a company in the center of a given region.
- Regional transportation systems are also organized to support this potential for both technical and transportation infrastructure.





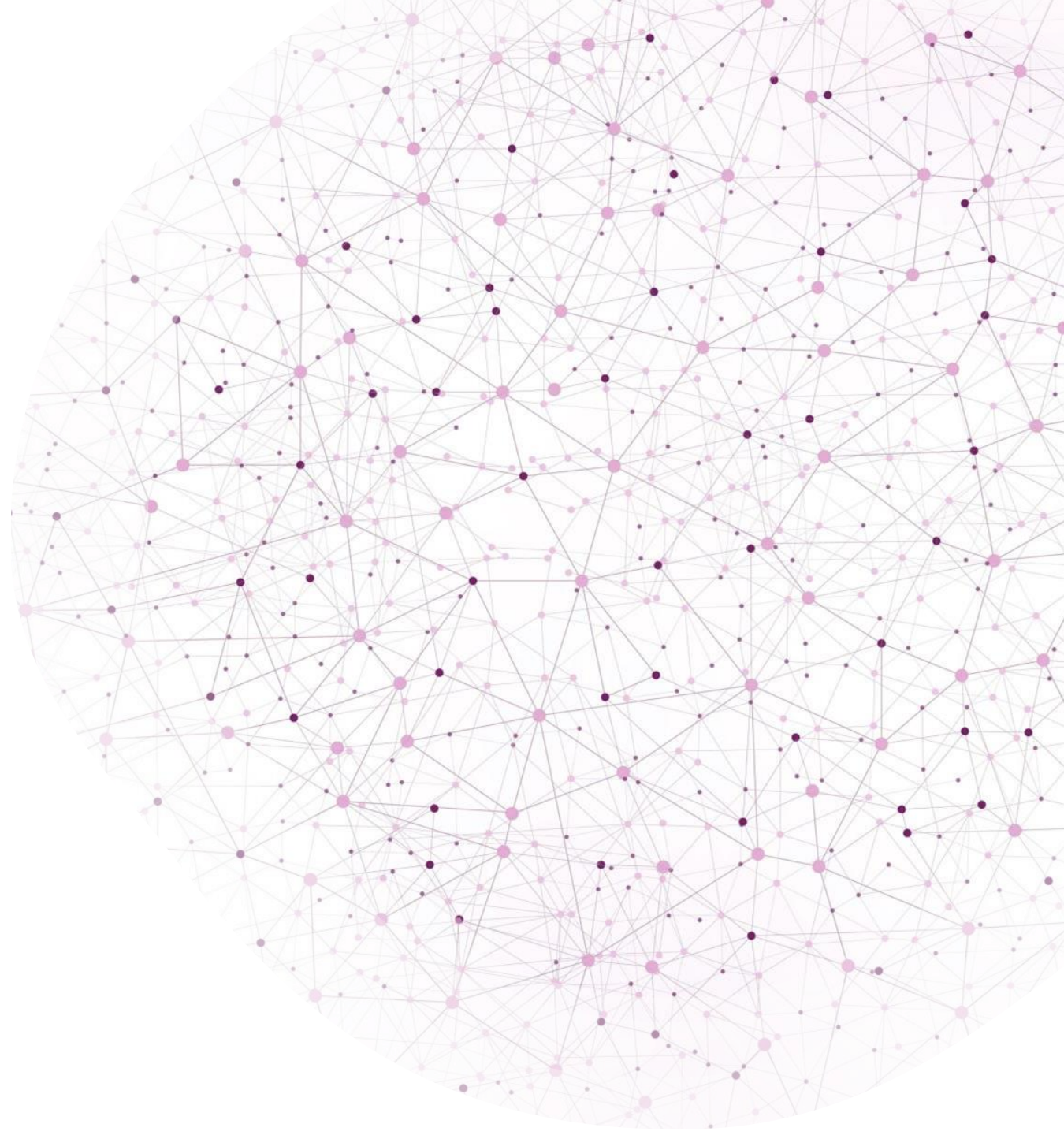
# Quality of Labor Factor

- One of the most influential factors affecting the economic and social development of individual countries and their regions.
- Significantly affects the overall competitiveness of not only regions but also countries as a whole. It is closely related to the basic structure of the economy, with which the quality of the workforce has strong ties.
- From a regional perspective, there is generally a significant dependence between the hierarchical status of residential centers and the corresponding quality of the workforce.
- As the hierarchical level increases, there is a relatively rapid growth in the number of graduates from universities, higher vocational schools, grammar schools, secondary vocational schools, and subsequent specialized fields with a maturity exam. On the other hand, the share of graduates from secondary vocational schools, vocational schools, and graduates of primary schools decreases.



## Flexibility - Entrepreneurial Spirit of the Workforce Factor

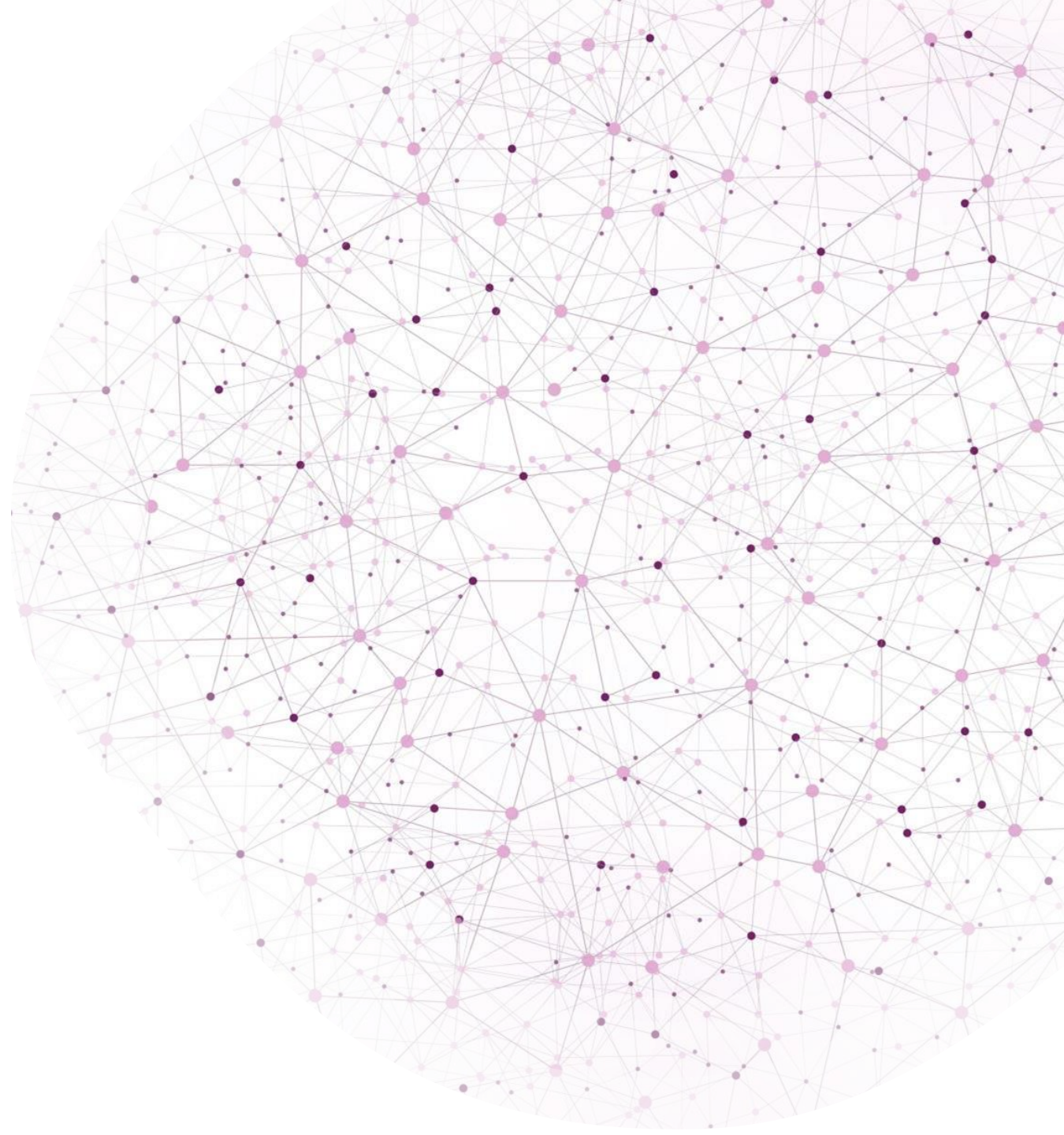
- The degree of adaptability of the workforce to constant changes characteristic of the market environment of the economy
- Different indicators may be selected for monitoring, such as indicators of the level of entrepreneurial activity.





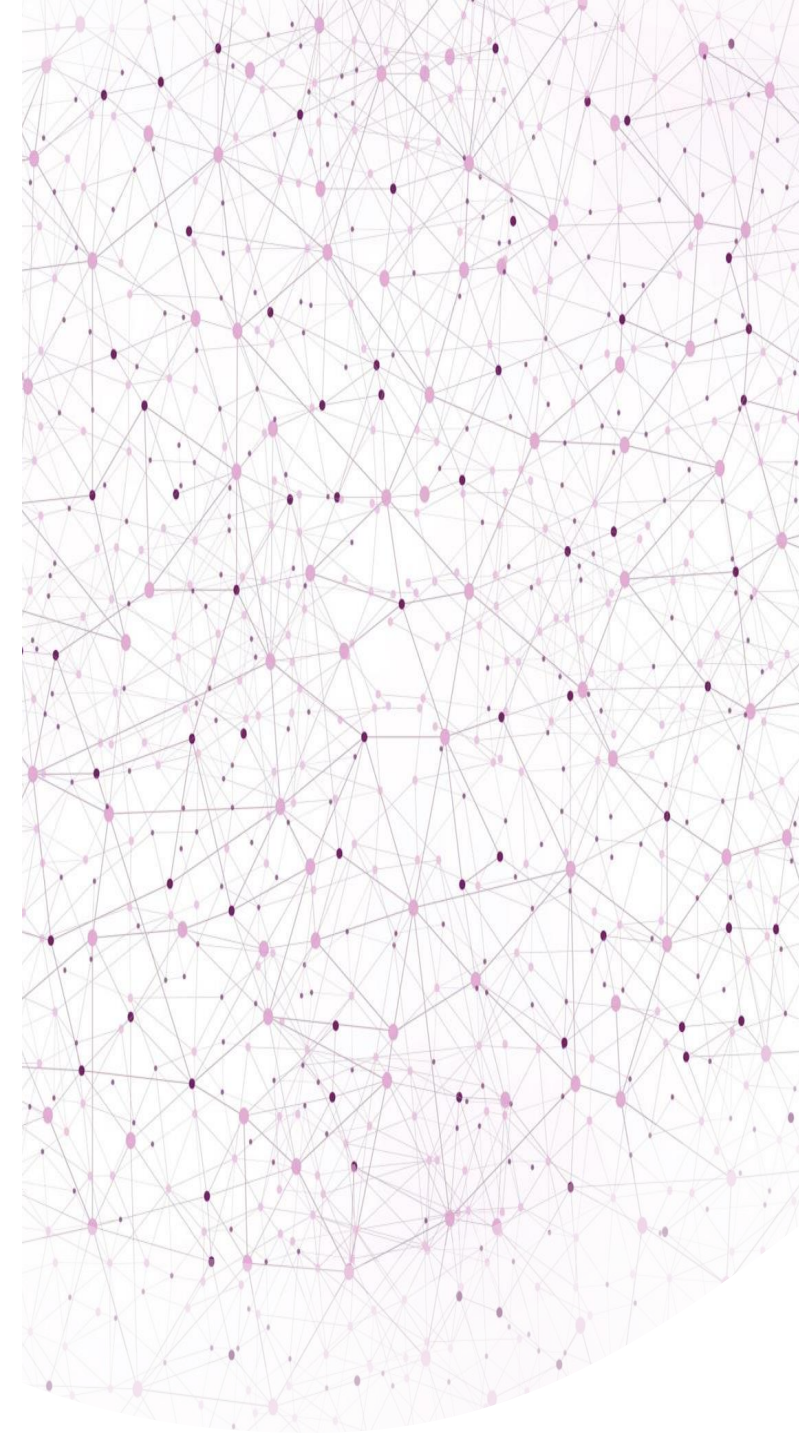
# Infrastructure Factors

*Infrastructure factors are a fundamental prerequisite for the exchange of goods and services. Their main role is to facilitate economic and related interactions with other regions. Due to the typically networked nature of the relevant infrastructure, these factors significantly enhance the quality of the business environment in regions located along nationally significant infrastructure.*



# Quality of Roads and Railways Factor

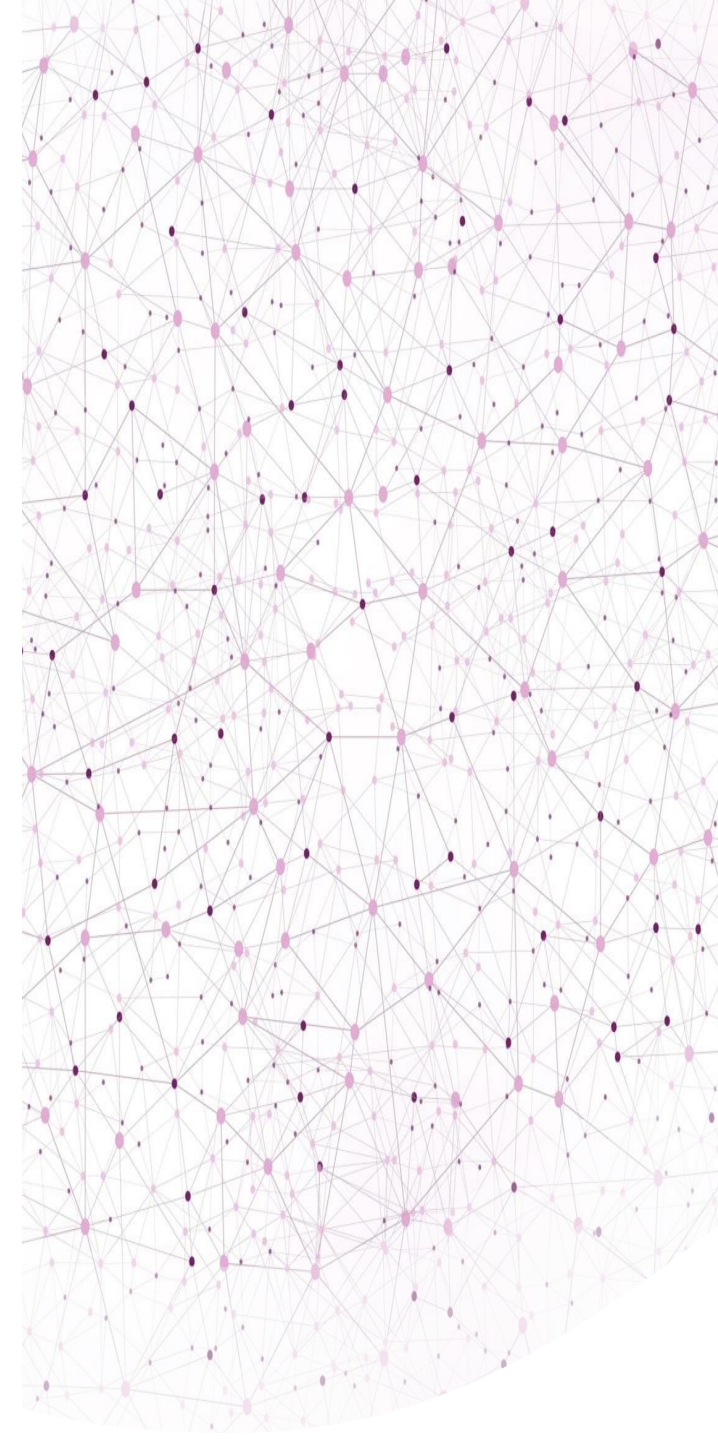
- One of the fundamental factors influencing the mobility of the population and the development of territorial labor division
- Generally facilitates the integration of companies into the global economy through exports while, on the other hand, increases the competitive potential in local markets through imports.
- In this context, this factor exhibits logical connections to the proximity to markets factor.





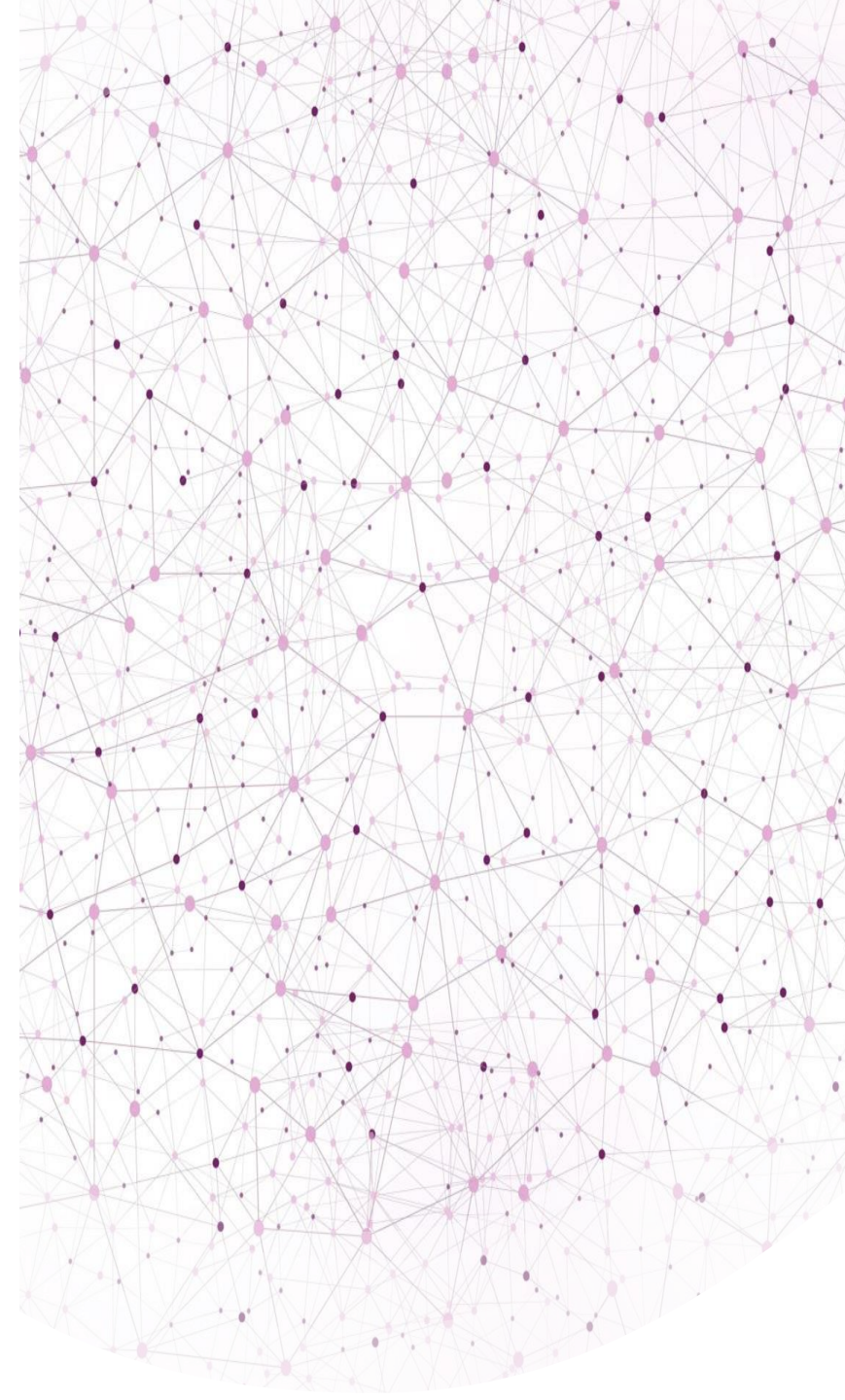
# Information and Communication Technology (ICT) Factor

- This factor is referred to as e-business, which undoubtedly has significant impacts on the global competitiveness of companies, countries, and regions.
- The most significant manifestation of ICT is the creation of new types of ICT networks and the rapid growth of computer equipment in institutions and households, and last but not least, "smart devices."
- From the perspective of companies, this development not only creates new opportunities to realize internal cost savings, primarily through the streamlining of their business ICT systems but also through external savings derived from covering areas with ICT networks.



# Proximity to Airports Factor

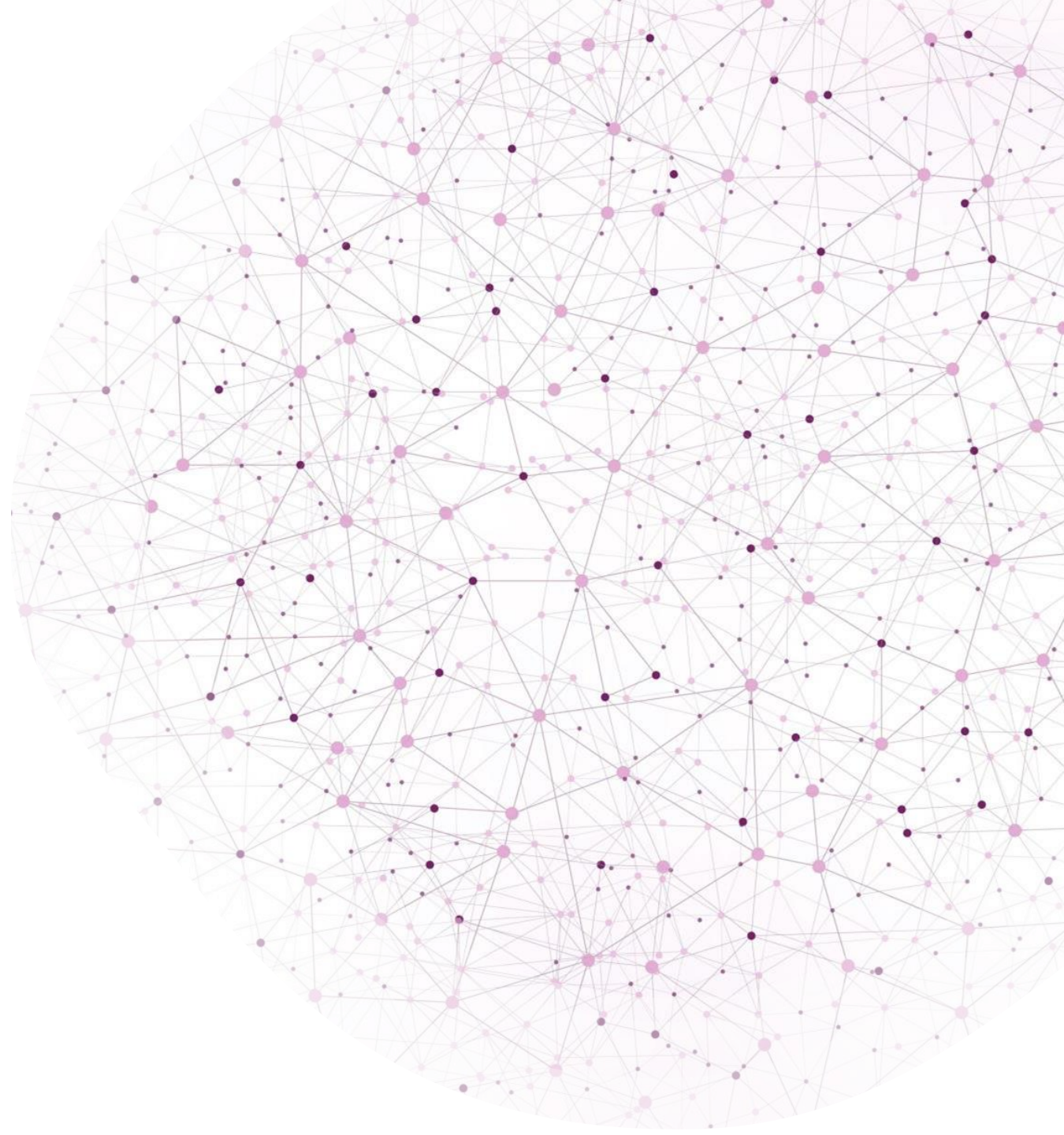
- Positively influences not only the tourist attractiveness of a region but also the overall quality of the business environment in that region.
- Large international airports play a significant role in this context.





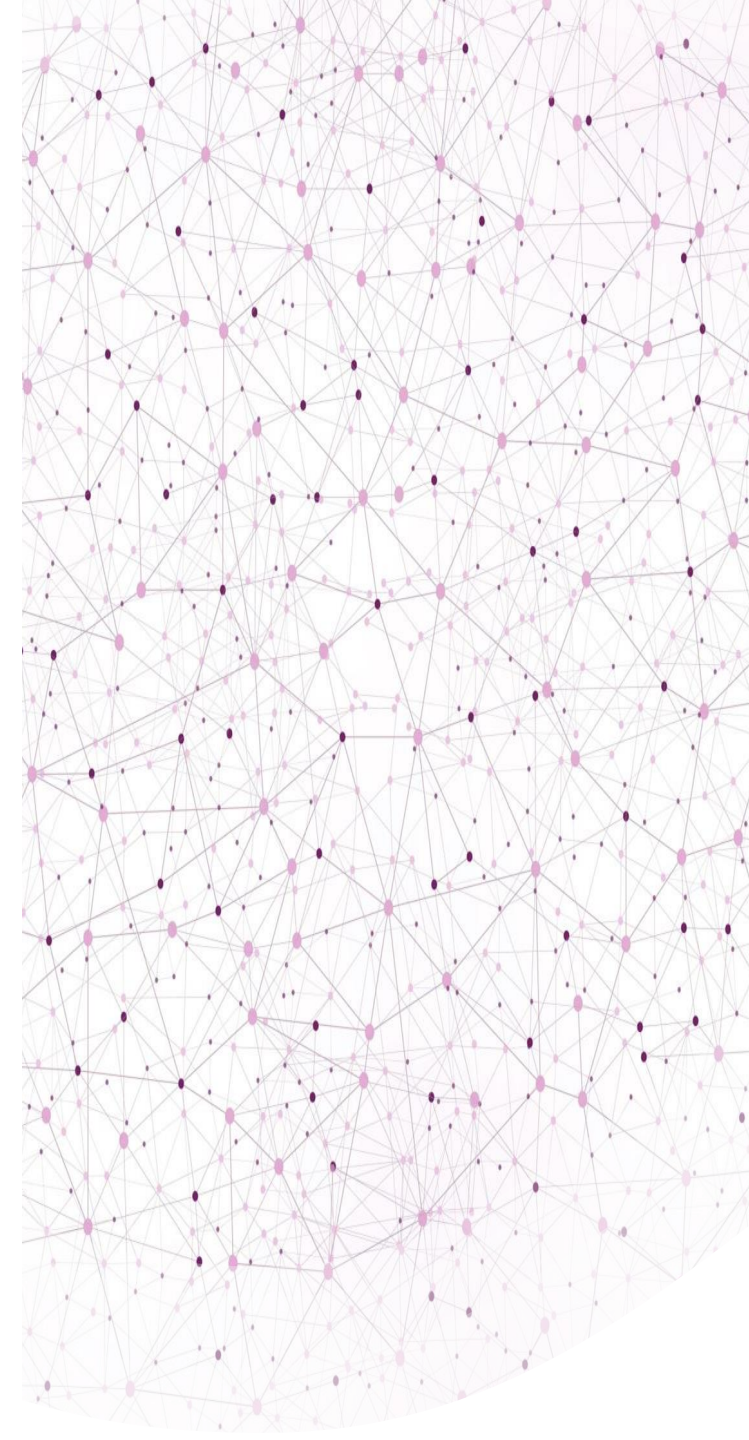
# Local Factors

*The group of local factors ranks fourth in terms of the significance of assessing the quality of the business environment. Realistically, regions have the potential to be the most effective in influencing the quality of the business environment. The group of local factors consists of an aggregate factor of the business and knowledge base and a factor of public administration assistance.*



# Business and Knowledge Base Factor

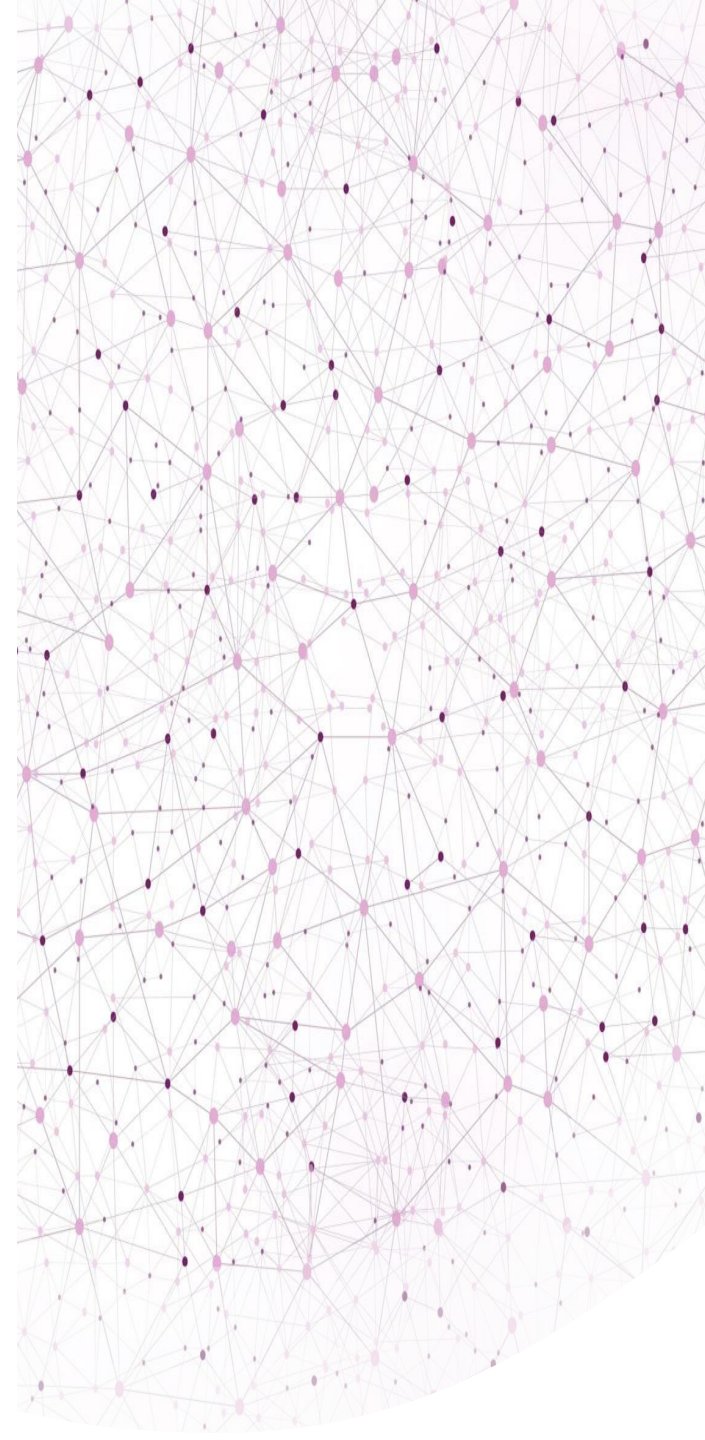
- Basic overviews and information about the specific prerequisites of individual regions for future development on the economic front, induced by new investments in selected types of infrastructure.
- Two main components referred to as the sub-factor of the business and sub-factor of knowledge infrastructure.
- Represents one of the cornerstones in attracting foreign investments and subsequently increasing the quality of life and economic performance of regions.
- The quality of this incoming capital in the form of investments depends primarily on the education of the population and the knowledge base of the respective regions, which generally determine their development potential.
- The corresponding infrastructure conditions for the sustained increase in the education of the residents of a given region and the development of science and research are described through the sub-factor of knowledge infrastructure.
- The increasing importance of the knowledge infrastructure factor stems from the ongoing transition of advanced economies to knowledge-based types of economies.





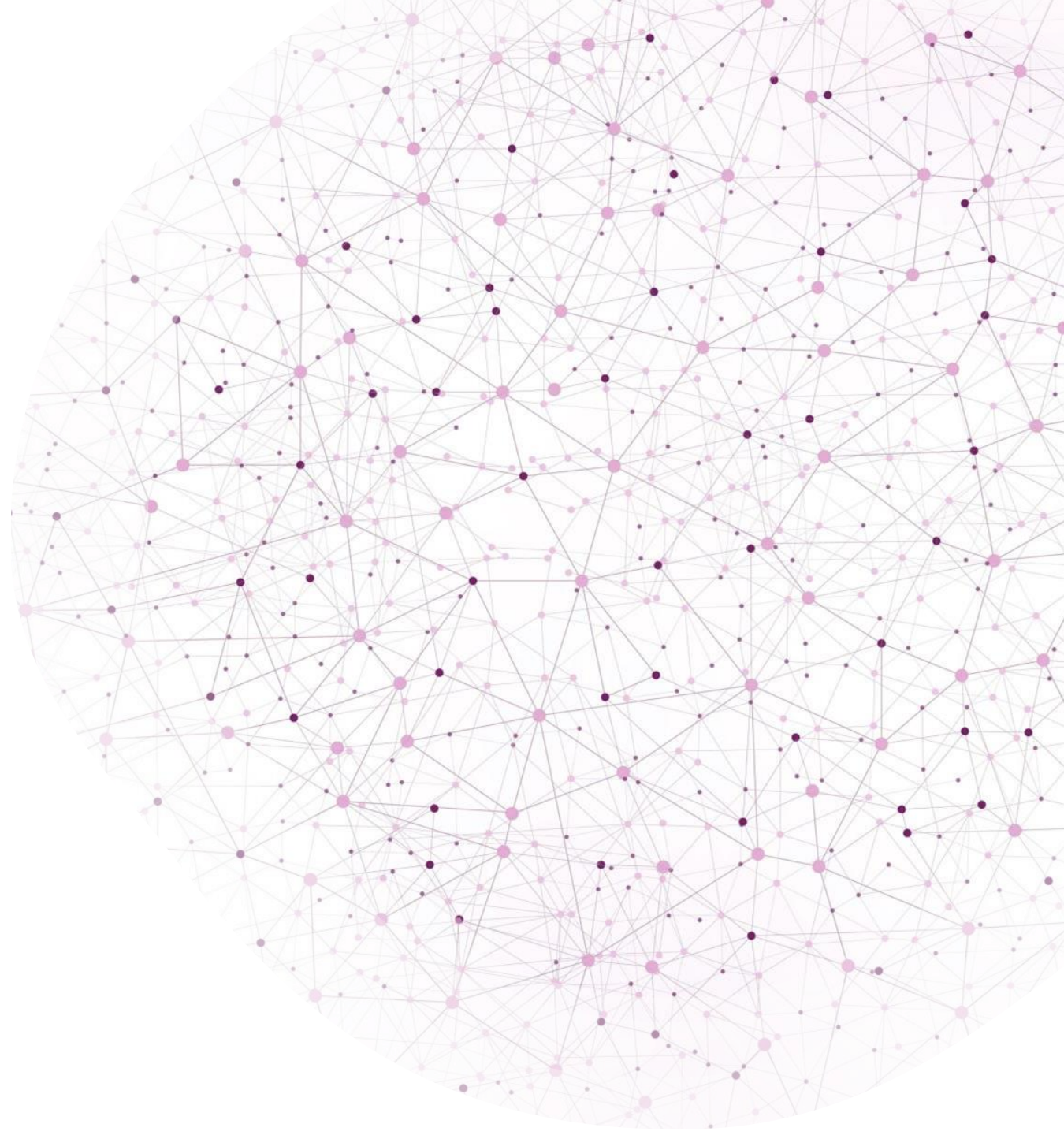
# Public Administration Assistance Factor

- Terms of public administration assistance in improving the quality of the business environment.
- The primary goal is the quality of public administration performed by municipal offices and city councils of regional centers.
- From an overall perspective, this is a less significant factor, but its improvement in connection with other accompanying factors can bring significant synergistic effects.
- It can subsequently create significant competitive advantages, especially in the case of the most active regions.



# Price factors

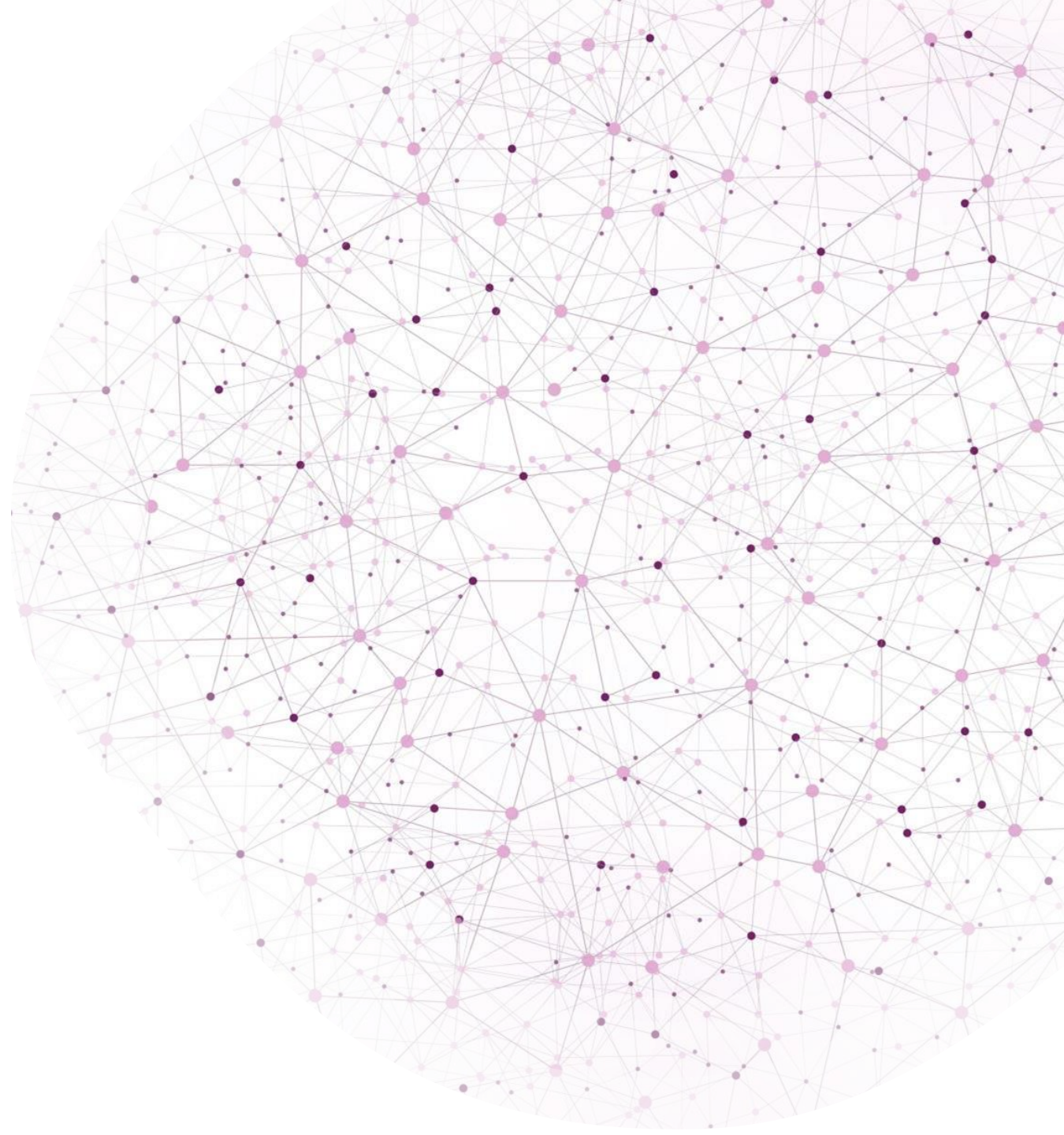
*This group of factors primarily includes labor costs and property prices. These factors represent specific indicators of the quality of the business environment, reflecting the relationship between supply and demand. Within the regional level assessment, these factors belong to less significant groups of factors, but at the macroeconomic level, in accordance with the much higher degree of differentiation among countries, they play a significantly more important role.*





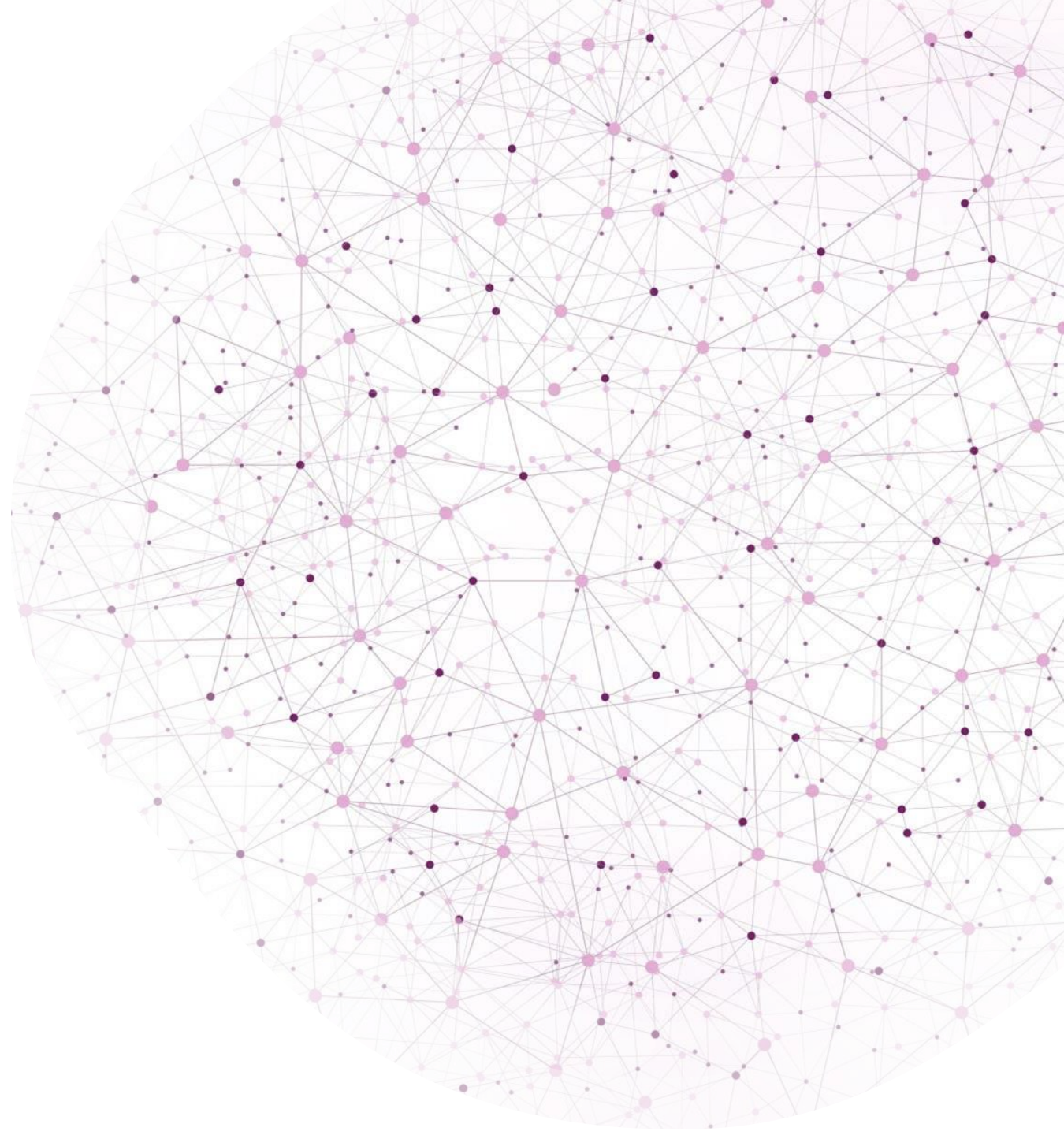
# Labor Cost Factor

- Wages as a fundamental factor of labor cost.
- The evaluation of the factor is done using average wages both at the national level and at the regional level.



# Property Price Factor

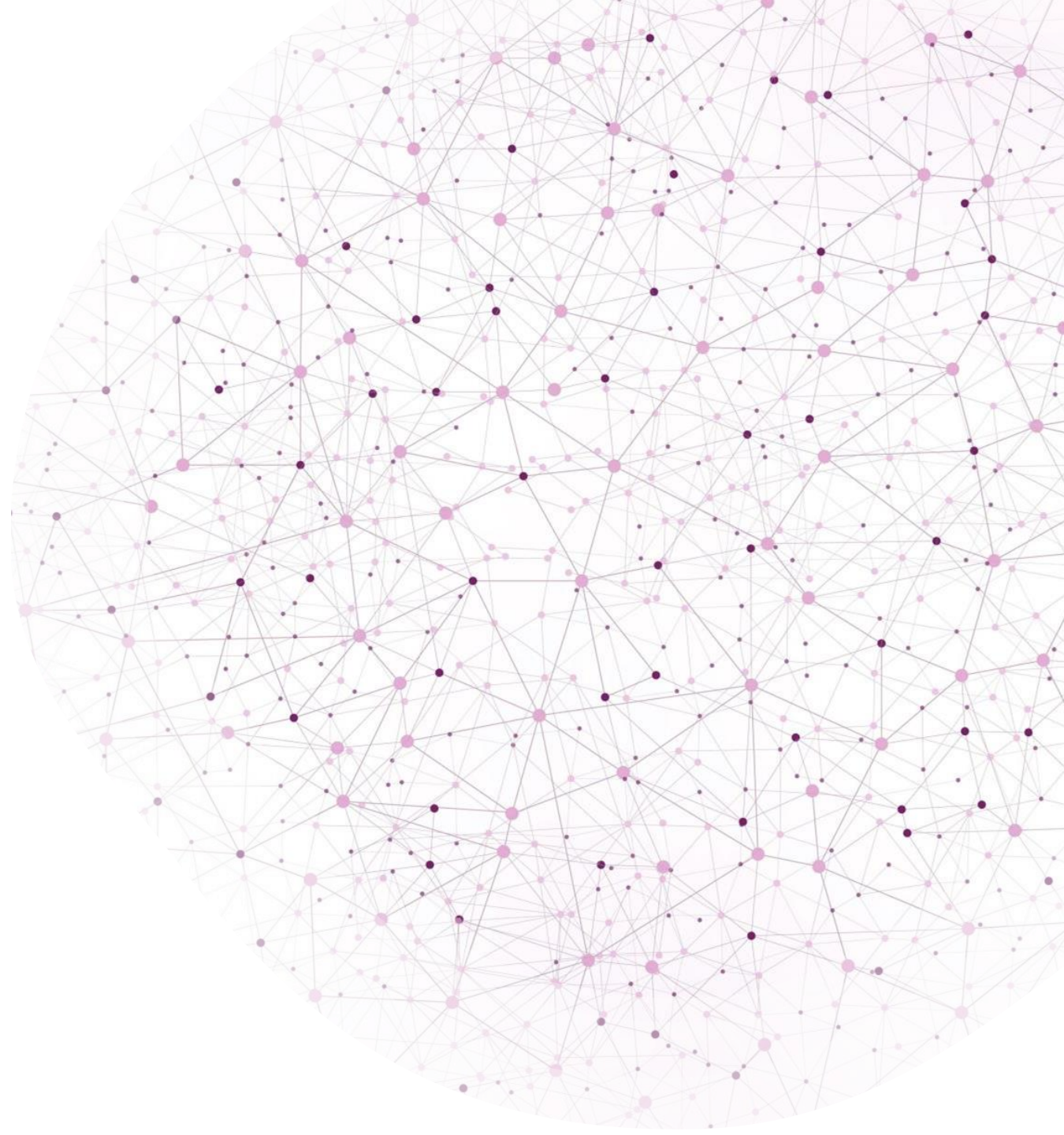
- Two main components, which can be referred to as land price sub-factor and rent price sub-factor in the given region.
  - The first sub-factor is related to the prices of construction land for manufacturing industry buildings, and the second is related to the prices of office space rentals for service provision.
- Significant role, especially when deciding on the new location of business activities.





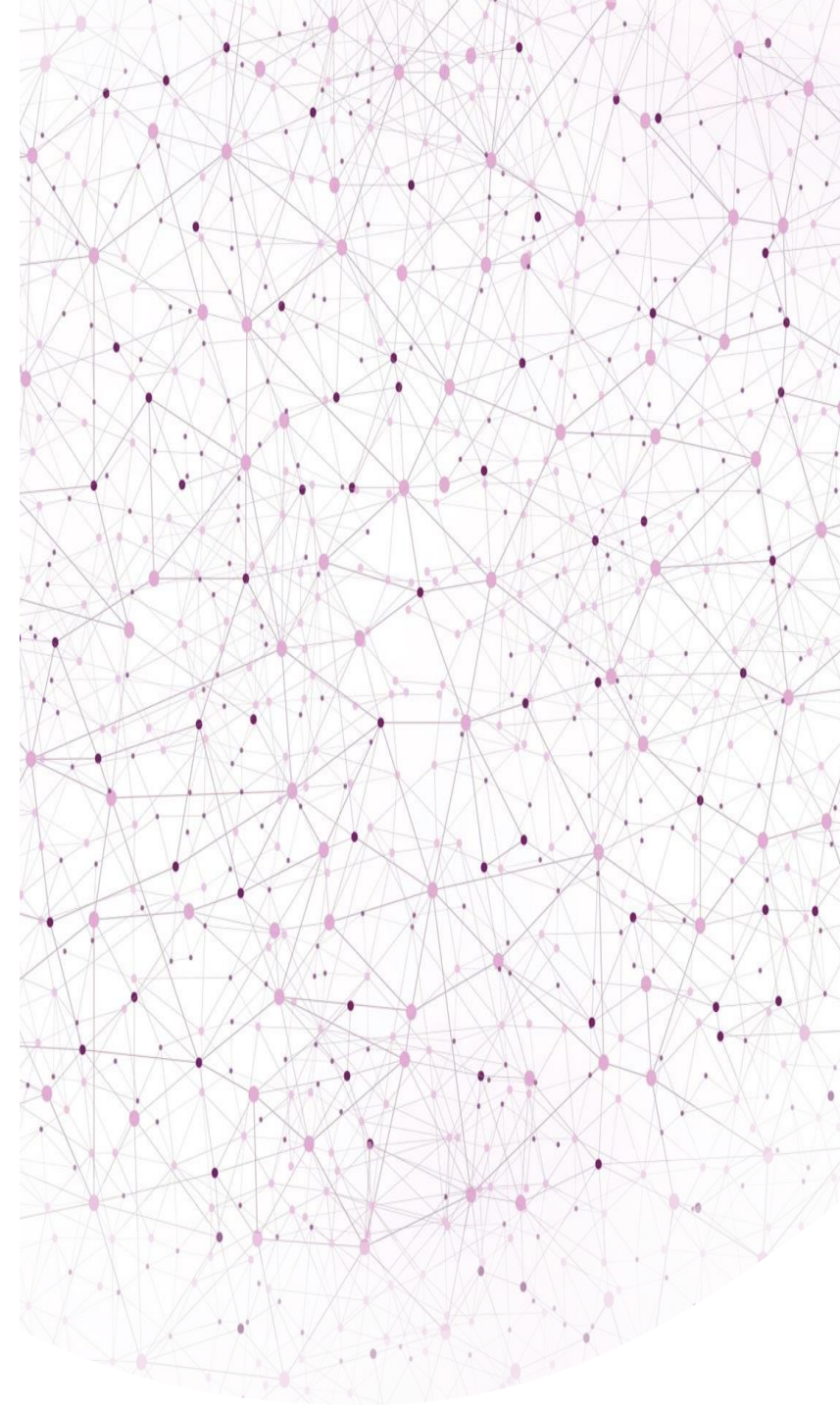
# Environmental Factors

*In comparison to other groups, this is a relatively heterogeneous group of factors, including the factor of urban and natural attractiveness of the area and the factor of environmental quality of the area. The main unifying element of these environmentally based factors can be considered their ties to the quality of life in line with the principle of sustainable development. From the perspective of the overall assessment of the business environment quality, this is indeed a significant group of factors, but its importance is gradually increasing.*



# Factor of Urban and Natural Attractiveness of the Area

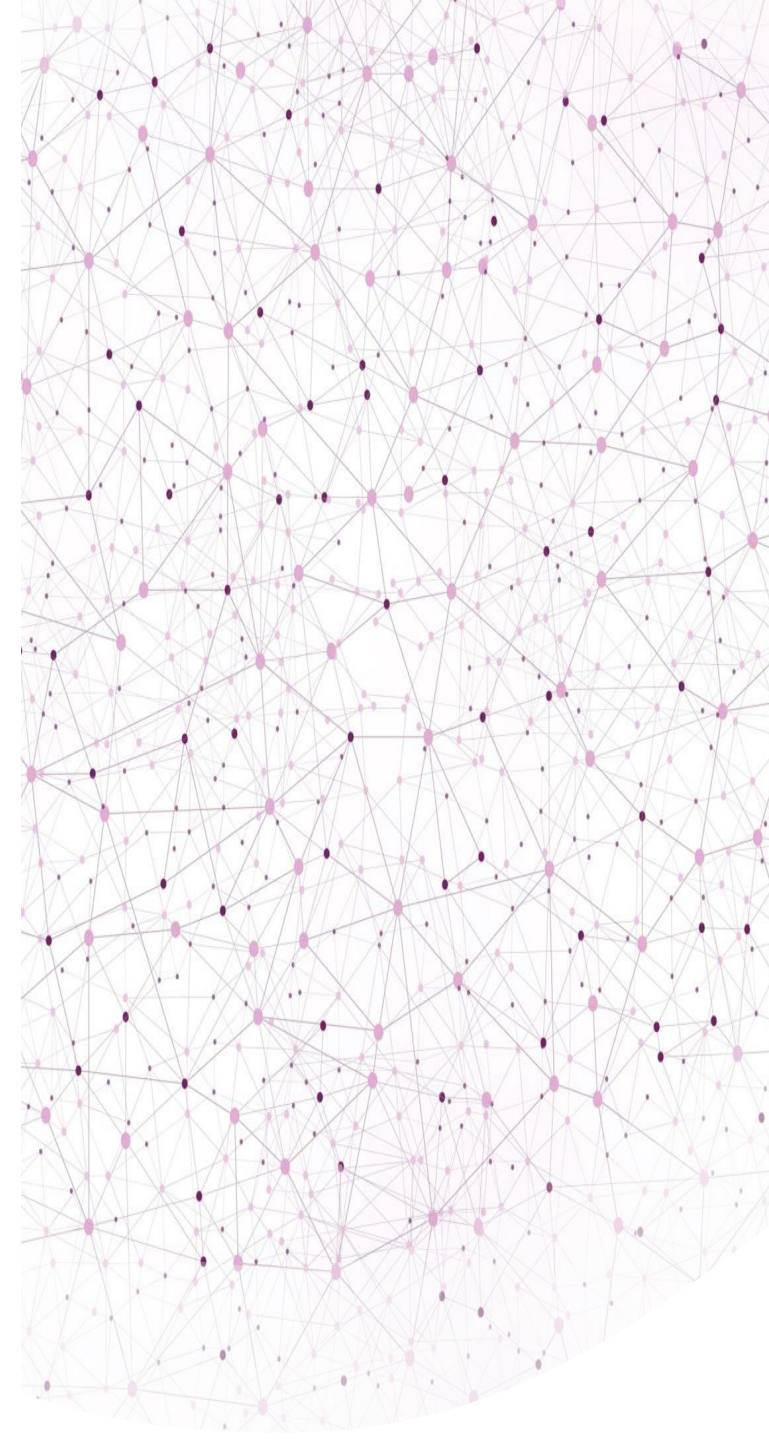
- Contributing to the quality of the business environment.
- These two factors primarily reflect the tourist attractiveness of the area.
- The influences of this factor on the creation of the "image" of regions are becoming increasingly important.
- These influences have a relevant impact on residential and investment attractiveness, and thus, the overall quality of the business environment.





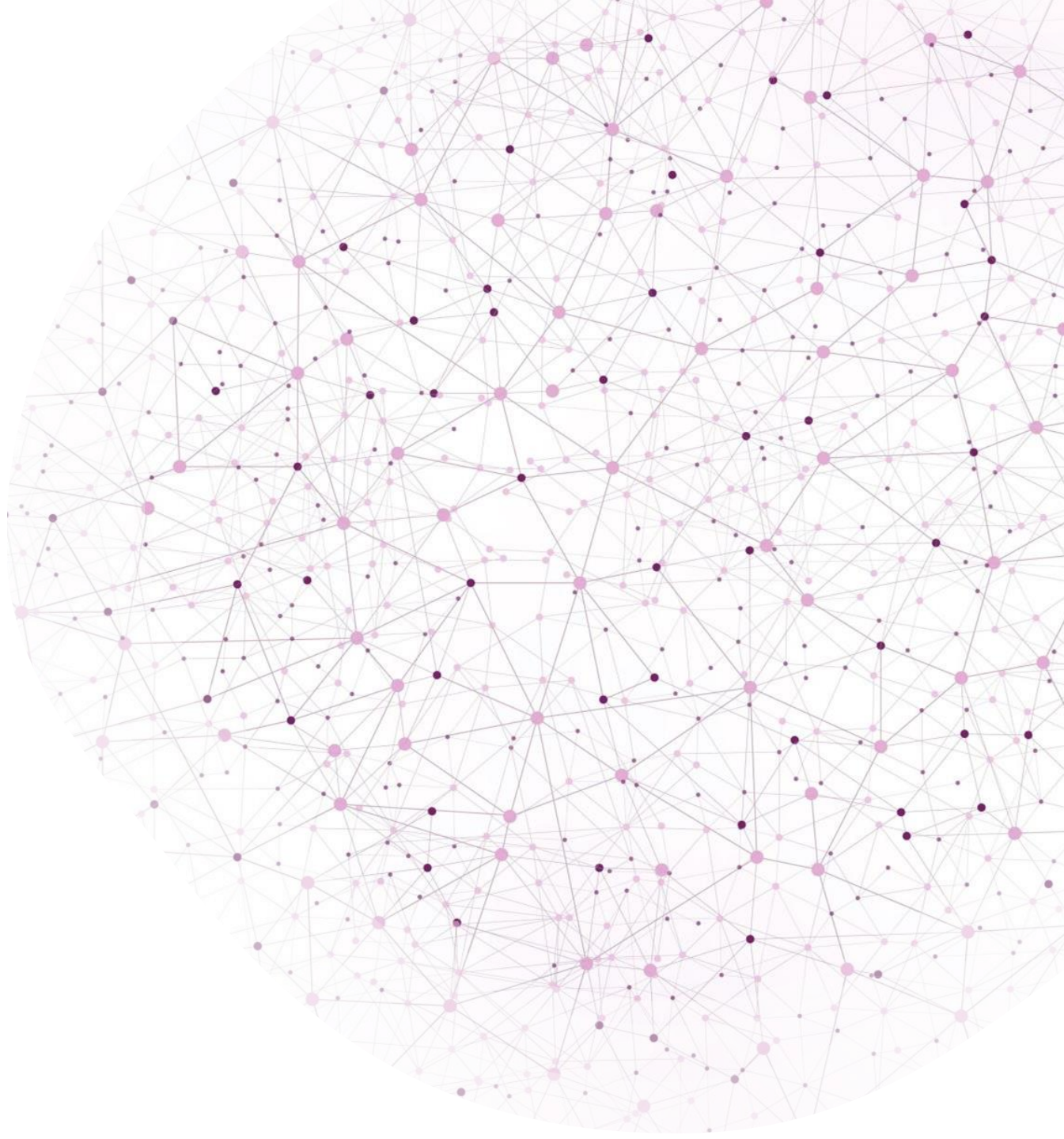
# Factor of Environmental Quality of the Area

- Its importance is gradually increasing.
- Depends on the technical and economic development level of companies.
- Severely deteriorated environmental quality naturally has a negative impact on the health and psychological well-being of the population.
- This logically leads to increased costs for companies in environmentally affected regions.
- In the long term, significantly below-average values of this factor can create barriers to economic development, associated with a reduction in investment and overall attractiveness of the region.



# Summary

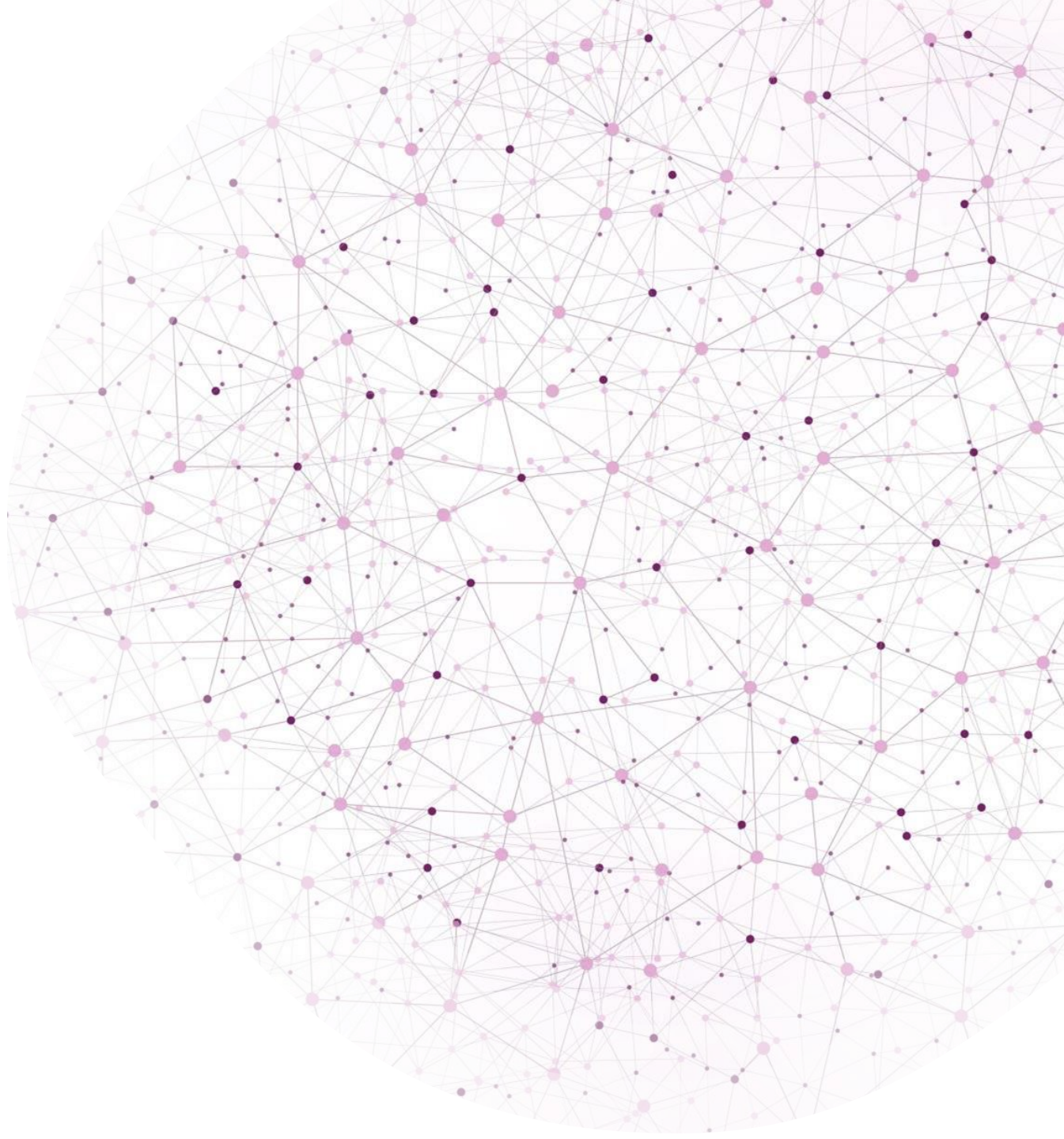
- What have you learned today?
- CHLOPECKÝ, Jakub, 2018. Malé a střední podnikání: Studijní opora pro kombinované studium. 1. Moravská vysoká škola Olomouc.





# Homework

- Based on your previous homework, figure out how would factors which we have discussed today, influence your business. Think about all factors mentioned in the lesson (proximity of markets, labor factors, local factors, price factors, environmental factors)
- Upload it into Information System
- Deadline: two working days before next lesson



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Thank you for your  
attention

