Running Head: ENVIRONMENTAL ANALYSIS OF THE GREEN SHOP

Environmental Analysis of the Green Shop

SWOTT Analysis

In business, SWOTT analysis that reflects company’s strength, weakness, opportunities, threats and trends also have great significance in accomplishing the objectives (Wheelan & Hunger, 2004). With the proper understanding of SWOTT analysis, organization will assess both the environmental factors i.e. internal and external that endlessly facilitate in attaining the pre-set objectives.

External Forces & Trend Consideration

In the ‘External Forces Analysis’ organic and natural health food shops the major forces included are the legal & regulatory forces, economic forces, competitive analysis and social factors.

Legal and Regulatory Factors

The legal and regulatory forces are very important for the business of organic food and natural health products. Human health is a highly sensitive issue for the company, so the legal regulation regarding this business is the license of human health administration to sale the food product (Wheelan & Hunger, 2004). It is necessary for the shop to get a certification and license of the nutrition available in the products (Bradford & Duncan, 2000). The legal and regulatory framework would enhance the capability of the strategy formation of the company with the inclusion of the varied legal and regulatory aspects of food and health products (Brown, 2009).

Economic Factors

The economies of the countries have frequent fluctuations in them due to changing economic environment (Wheelan & Hunger, 2004). This will have a great impact on the business of health and food products. Due to the changes in the economies condition of consumers, the firm would have a rapid growth in such kinds of organic food product (Pierce & Robinson, 2004).

Competitive factors

Due to the preference of the consumers for health organic food products the demand is continuously increasing, which ultimately increases the competition in the industry. It is essential or the firm to develop effective marketing and attractive strategy to retain the customers for long term (Kotler, 2002).

Social factors

The social factors affect this business is the preference of consumers for certified organic food products, which would not harmful for the health of consumers (Wheelan & Hunger, 2004). Due to the fast pace of life, there is no time to cook food, so the consumers prefers organic and canned food full of nutrition and vitamins resources (Bradford & Duncan, 2000).

Internal Forces and Trends Considerations

 The internal forces of the company are the strategies, resources and process and systems, which are made by the company itself; by its Management and can be modified any time by the company itself according to the changing conditions of the business environment (Wilson & Gilligan, 2005).

Strategy

Business strategy of a company includes its business policies and procedures. The strategies of the company are required essentially to be effective (Ryall & Craig, 2003). Business strategy is the base of the corporation. The well determined business strategy can render great success to the company (Stahl & Grigsby, 1997).

Resources

Resources are the base of the entire business process of a company. All types of resources have equal importance for the company. The proper availability and allocation of the resources can help the company to have a cost effective and efficient business process (Brown, 2009).

Processes & Systems

The processes & systems of the company are very important to be handled much carefully. These affect the entire business process of the company. The firm can use effective technologies and business practices to improve its business process (Chary, 2006).

**SWOTT ANALYSIS TABLE**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Factors** | **Strength** | **Weakness** | **Opportunity** | **Threat** | **Trend** |
| **External Factors** |  |  |  |  |  |
| Legal and Regulatory | This external force would improve the potentiality of the company’s strategy formulation & implementation with the inclusion of the wide-ranging legal and regulatory views of the different areas.  | Strict legal and regulatory rules of the government | Attract large number of customers because now the users would be more awake and Increasing demand for products | Frequent alterations in the legal/ regulatory frameworks or rules. | It becomes more hard-and-fast in the near future. |
| Economic | High chances for the possible of exceptional growth | The periods of Recession and market rate fluctuations are the major weaknesses that will have to face the business. | High opportunity to attain the renowned corporate name & fame through deliver all the unexpected economic information to their customers in advance | Changes in the economic conditions. | It reflects both increasing & decreasing trend due to frequent economic changes. |
| Competitive | Sufficient resources to complete in the competitive and changing environment | Shortage of qualified personnel to management competition | Globalization | High competitive pressure | Increasing demand and globalization in future |
| Social | Stable social environment with proper evaluation of financial conditions of employees | Sometimes create social conflict. | Customer would like the new variety of organic and health food | New ways of management can be generated | Social environment is greatly integrated with economic aspects.  |
| **Internal Factors** |  |  |  |  |  |
| Strategy | Effective formulation & implementation of strategy is conceived as the platform for business success.  | It requires huge capital investment | High changes to gain competitive advantage through beneficial strategy. | Risk of failure is high if it does not look at all perspectives of the business like financial, human, growth, etc. | Efficacious formulation & implementation strategy contributes in competitive position, market share & growth. |
| Resource | If we implement the resources like capital & human factor in right manner then it will assist the company in hitting cost advantage. | Scare Resources | High changes of business development. | Due to scarcity of resources, business unable to capture opportunities prevailing in the market. | Through promote its brand name & loyalty, business can capture large market share.  |
| Process and Systems | Economical or effective systems and processes boost up the business process.  | High requisite of capital and frequent training to workforce.  | Great chances to gain good image & competitive position. | High resistance to change by the staff members. | Growing trend because modifications in the system/process must be made accordingly to the environment. |

Effectiveness of the Green Shop to Adapt the Changes

The strategic planning and program of the Green Shop is very effective and the organization can adapt the changes of the environment in a well appropriate manner (Bradford & Duncan, 2000). The company implements various training and development programs, so that the managers can influence the behavior of the employee to work hard with zeal and enthusiasm (Wheelan & Hunger, 2004). The company would also implement some reward and incentive program o boost the morale of the employee and adapt environmental changes (Pierce & Robinson, 2004). In order to achieve the success in all over the world and cope up with the environmental and cultural changes the company would also impalement diversity management programs (Wilson & Gilligan, 2005). The honest and integral practices of business are also very helpful to adapt the changes in the organization (Kotler, 2002).

The strategies of the company are also based on the social responsibilities and leader assist the behavior of employees and learns them to maintain the quality standard of the products and services and serve the customers as per their demand in this highly changing business environment (Bradford & Duncan, 2000).

Supply Chain Operations of the Organization

The supply chain process of the firm is also very fast and effective. The firm uses 3 level distribution channels to supply the products from the firm to consumers (Wilson & Gilligan, 2005). This supply chain process includes three levels, from the firm to wholesalers, from wholesalers to retailers and from retailers to consumers (Rapacz & Reilly, 2008).

Firstly the firm supplies the final end product to the wholesalers in the target market as fast as possible to maintain the quality of the product (Brown, 2009). The wholesales distribute these products to the retailers in all over the target market and the retailer sales the products to the customers with through various stores of the company and outlets and local shoppers (Pierce & Robinson, 2004).

Issues and Opportunities for the Company

As per this environmental analysis, it has been evaluated that there are various issues available for the company to run in a smooth manner in this highly competitive and changing environment. In addition, some opportunities are also available for the firm to utilize their resources and strategies in an effective manner (Kotler, 2002).

The first main and foremost issues for the company are the legal and regulation factors. It is not easy for the firm to get the license from the health administration. The unpredictable changes in the economy are also one of the main issues for the success of the organization (Bradford & Duncan, 2000). The next important issue is the ‘strategy’. The strategies of the company should be made in such a way that they become favorable for both the company, as well as, its stakeholders (Payne & Frow, 2005). Changing in the preference of the consumers and fast pace of life their living standard also affect the business of green shop (Brown, 2009).

Some opportunities for the business of organic food and health food products comprises moving towards globalization and high demands of demands of customers (Pierce & Robinson, 2004). It can also take the advantage in the countries, where economic conditions are not appropriate. Proper allocation of the human resources and financial resources to complete the process and programs of the organization are also helpful to gain the opportunities to grow successfully (Wilson & Gilligan, 2005).

Hypothesis

For the issue of legal and regulatory consideration, the hypothesis of the organization is based on the question whether the company maintain standard to get health certification for its products of not. This hypothesis leads the firm to maintain the quality standard of the product with social and environmental responsibilities (Pierce & Robinson, 2004). The issue and problem of strategy of the organization are reply on the hypothesis that is the stakeholders of the organization work on the preplanned strategies of the organization or not. The issue regarding society is linked with the hypothesis that the practices of the company follow business and social ethics or not (Bradford & Duncan, 2000).

Circumstance for each Issue

There will be several circumstances for each issue. For the legal and regulatory, strategic and social issues, the company would face several circumstances such as welfare and benefits of society, human health, health care benefits of the employees, etc. Each of the class is important for the business, as with the contribution of all the classes, the company can handle the issue in a better way. In order to solve the each issue the conditions includes participation of each employees as well as suppliers vendors, executives, etc. (Wheelan & Hunger, 2004). All these are important to be considered because no business strategy can be implemented successfully, without the effective contribution of any of the classes (Wilson & Gilligan, 2005).

References

Bradford & Duncan (2000). *Simplified Strategic Planning* (3rd Edition). New York: Chandler House.

Brown, S.P. (2009). Forces and Trends in Business. Retrieved December 7, 2009 from <http://ezinearticles.com/?Forces-and-Trends-in-Business&id=708724>

Kotler, P. (2002). *Marketing Management* (11th Edition). New York, USA: Prentice Hall Pvt. Ltd.

Payne, A. & Frow, P. (2005, October). A Strategic Framework for Customer Relationship Management. *Journal of Marketing, 69*, 167-176. Retrieved September 1, 2009 from <http://www.sirim.my/techinfo/P1/Management/Sept-Oct05/sept-oct05_article10.pdf>

Pierce, J. & Robinson, R. (2004). *Strategic Management* (eds.). New York: McGraw Hill Companies.

Rapacz, D. & Reilly, M. (2008). The New View of Relationship Marketing: Better integration to deepen brand commitment. *Journal of Integrated Marketing Communications*, 19-25. Retrieved September 1, 2009 from <http://jimc.medill.northwestern.edu/JIMCWebsite/2008/RelationshipMarketing.pdf>

Stahl, M.J. & Grigsby, D.W. (1997). *Strategic Management: Total Quality and Global Competition* (eds.). Blackwell Publishing.

Wheelan, T.L. & Hunger, J.D (2004). *Strategic management and Business policy* (eds.). Singapore: Pearson Education Pvt. Ltd.

Wilson, R.M.S. & Gilligan, C. (2005). *Strategic Marketing Management: Planning, Implementation and Control* (3rd Edition). Butterworth-Heinemann.