



# **MANAGEMENT SCIENCE**

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## ENVIRONMENTAL SCANNING & SWOT ANALYSIS

### Environmental Scanning:

- It is vital part of corporate planning process.
- Organizational environment consists of both external and internal factors. Environment must be scanned so as to determine development and forecasts of factors that will influence organizational success.
- It involves an analysis and diagnosis of the external and internal environment of the business

# Steps in Environmental Scanning

1. Corporate planning
2. Environmental scanning.
3. Environmental analysis
4. Environmental diagnosis
  - a. External environment analysis
  - b. Internal environment analysis

# ENVIRONMENTAL SCANNING & SWOT ANALYSIS

## **Corporate planning**

It is a process of planning undertaken by top level management to achieve the organisation objectives.

## **Environmental scanning:**

‘Computers have wiped out type writers’

In environmental scanning the conditions influencing the business typically technologically economically or socially identified and analysed for the extent to which these constitute for existing strategy.

## **Environmental analysis:**

It refers to the process of analysing the environment, component wise or sector wise

# ENVIRONMENTAL SCANNING & SWOT ANALYSIS

Environmental diagnosis:

It comprises the managerial decisions based on the perceived opportunities and threats of the firm.

# EXTERNAL ENVIRONMENT ANALYSIS

General  
environment

International  
environment

Industry  
environment

Opportunities

threats

# General Environment

## **The socio economic sector:**

Factors effecting the economy ,society and the business climate.

## **The technological sector:**

Alternatives of raw materials, life cycle etc:

## **Government sector:**

Taxes, regulations ,gap between demand and supply



# INDUSTRY ENVIRONMENT

- Customers: needs ,surveys
- Suppliers: availability and cost
- Competition



# INTERNATIONAL ENVIRONMENT

So many opportunities are in the global economy and it is characterised by countries with expanding the market and

Political risk

Social risk

Economic risk

Financial risk

# INTERNAL ENVIRONMENT

- It includes the analysis of internal factors which influence the business.
- Internal strengths and weaknesses

# EVALUTION

MARKETING FACTORS

RESEARCH DEVELOPMENT

ENGINEERING DESIGN AND MANAGEMNT

PRODUCTION MANAGEMNET

MANAGERIAL PERSONNEL

ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES.



# ENVIRONMENTAL SCANNING & SWOT ANALYSIS

COMPATIBILITY OF STRATEGY WITH ENVIRONMENT  
DEVELOP DISTINCTIVE AND COST EFFECTIVE COMPETENCE

## Example:

INTERNAL AREA	COMPETITIVE STRENGTH
MARKETING	PRODUCT LINE IS EXTENSIVE
	SERVICE IS EXCELLENT
	CHANNELS OF DISTRIBUTION ARE WEAK IN NORTH WEST

# ENVIRONMENTAL SCANNING & SWOT ANALYSIS

Example:

<b>RESEARCH AND DEVELOPMENT</b>	<b>4 PATENTS</b>
	2 SCIENTIST LEFT

# SWOT ANALYSIS

Rational and evaluation of company's strengths, weaknesses, opportunities, and threats which are likely to affect the strategic decisions significantly.

S- STRENGTH

W-WEAKNESS

O-OPPORTUNITIES

T-THREATS

# EXTERNAL ENVIRONMENT-OPPORTUNITY AND THREAT ANALYSIS

## Opportunities:

It necessary should identify what opportunities are available to it to focus upon. The latest technology, deregulated or free markets, liberalized rules and regulations and other may make a lot of difference for a business .organization provided it can envision how to avail these .

visionary identify opportunities from treats.



# ENVIRONMENTAL SCANNING& SWOT ANALYSIS

## Threats:

Some development in the external environment represents threats. A threat is a challenge posed by an un favorable trend or a development that results in the loss of sales or profit till a defensive marketing action is initiated.

Ex: change in government policy such as liberalization privatization and globalization, changing technology changing value systems environmental constraints law and order.

# ENVIRONMENTAL SCANNING & SWOT ANALYSIS

## Strength:

It is not necessary that a business organization has to correct all its weakness nor that its propagate its strength. The big question is whether the business should limit itself to those opportunities, where its possesses the required strength or should it consider better opportunities where it might have to develop certain strength.

# ENVIRONMENTAL SCANNING & SWOT ANALYSIS

## Weakness:

Some times the company may not do well not because its departments lack the required motivation but because they do not work together as a team for example consider the case of an electronics company which employs engineers, sales and service staff for its operations. It is not adequate if they keep on doing their work. The organization becomes more effective only when they work as a team. It is therefore, critically important to build effective teams and assess the effectiveness of these teams. This is a part of the internal environmental audit. Progressive companies adopt this strategy.

# SWOT ANALYSIS OF INDIAN BANKING INDUSTRY

## STRENGTHS:

In terms of quality of assets and capital adequacy, Indian banks are considered to have clean, strong and transparent balance sheets relative to other banks in comparable economies in its region

Policy makers have made some notable changes in policy and regulation to help strengthen the sector. These changes include strengthening prudential norms, enhancing the payments system and integrating regulations between commercial and co-operative banks.

# SWOT ANALYSIS OF INDIAN BANKING INDUSTRY

## WEAKNESS:

PSUs need to fundamentally strengthen institutional skill levels especially in sales and marketing, service operations, risk management and the overall organisational performance ethic & strengthen human capital.

The cost of intermediation remains high and bank penetration is limited to only a few customer segments and geographies

# SWOT ANALYSIS OF INDIAN BANKING INDUSTRY

## OPPORTUNITIES:

Given the demographic shifts resulting from changes in age profile and household income, consumers will increasingly demand enhanced institutional capabilities and service levels from banks

The market is seeing discontinuous growth driven by new products and services that include opportunities in credit cards, consumer finance and wealth management on the retail side, and in fee-based income and investment banking on the wholesale banking side. These require new skills in sales & marketing, credit and operations.

# SWOT ANALYSIS OF INDIAN BANKING INDUSTRY

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# SWOT ANALYSIS OF INDIAN BANKING INDUSTRY

## THREATS:

1. Rise in inflation figures which would lead to increase in interest rates.
2. Increase in the number of foreign players would pose a threat to the PSB as well as the private players.

- SOURCE: SWOT ANALYSIS OF INDIAN BANKING INDUSTRY BY YUGANDHAR SISODIA, 2013





THANK YOU