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Task 1.1

Explain the different types, size and scope of organisations.

There are basically 3 main types of business organisations. The profit, the non profit and the cooperatives.

The differences between for profit and not for profit are as the name said, the profit type of company’s objectives is making profit. In contrast, the non profit organisation is mainly voluntarily and their objective is no profit but care for society. The cooperative likewise, serve its members in term of benefit.

In term of size, we are looking to the amount of investment, the number of employess and its investment overseas. Big organisations tends to have more venture in term of scope and higher return on investment and having many staff..

The range of legal structures associated with different forms of business: sole traders, partnerships and private limited companies are varies. For example, Sole trader has got its disadvantage of continuing his business but has the advantage of keep all the earning. Also, the liability of public and private are different. For example, private one has unlimited liability.

The below table gives an idea of the different type of businesses:

| Public Sector Organization | Public sector is owned and run by the state government for the people. People pay taxes to the Govt. and this money is used to finance most of the public sector. The Public sector in the U.K. provides a large range of services. Part is provided free of charge to consumers (like schools) and prices are charged for others. Just like entrance fees to swimming pools and sports. |
| Private Sector Organization | Private sector business are owned and run by private individuals. E.g. of Private sectors business are:- 1. Sole Traders 2. Partnerships 3. Companies (private and Public) 4. Franchises |
| Ownership | Voluntary groups are not owned by any individual people. However, someone will be responsible for ensuring that it sets targets and budgets and does what it is set up to do. |

Figure 1 : Types of business.
**Task 1.2:**

**Explain the size and scope of a range of different types of organisations.**

In contextualizing, I would like to mention 3 organisations. As in Scenario given, Keppel Corporation Ltd (KCL), is a multinational company with many type of products. Singapore Cancer Society (SCS) can the voluntarily type of organisation that I have mentioned in Task 1.1. And as discussed in the class, Jewel is a condominium with can be considered as consumer co operatives. The difference between SCS and the Jewel is the cooperative is control by the government while the SCS is not.

Analysing the (BTEC course book for level 3, Chapter 1), the size and scope would depends on the following:

**Local**

If for example, you needed a plumber, taxi or just a pint of milk, you would probably go to a local business. This means businesses that operate in just one area, serving the local community. Businesses on this scale will often be small. privately owned sole traders who employ very few people.

**National**

Both in the UK and in Singapore, there are many businesses that operate all over the country, on a national scale.

**International**

In Singapore, we may be surprised to see many of the same brands and products that you see in the UK. For example: Marks and Spencer.

**Global**

Go to anywhere in the world and you will be able to find a bottle of Coca-Cola. In term of size another proxity of size and scope, could be:

- Primary
- Secondary
- Tertiary

In term of primary it would be the input process raw material, the secondary being the transformation process. And lastly, the finished good which is the so called Tertiary.
Relative to Keppel Corporation, the final sector, which is the secondary is their area of business.

In term of size, there are many yardsticks to measure:

- Number of Staff
- Number of branches
- Sales revenues each year
- Market Share

Keppel Corporation can be considered to be a Multi-National Country employing over 300,000 staff globally.

**Task 2.1**

**Explain the relationship between different organisation function and how they to organisational objectives and structure**

Our business functions are Production, Sales, Marketing research, Finance, and Human Resource. This gives rise to conflicts. Between departments as it has its objectives which could be not the same.

Product Style of structure is the current structure that Keppel Corporation has. Due to diversified products across the regions, as a Business Analyst I would recommend decentralization. And a Matrix structure below the product structure to support the organisation as the Headquarter in Singapore is unlikely to cater for the need of the customer.

Objectives of the company cannot be implemented alone. There are other elements like structure, system and people that keep business going. For example, Keppel Corporation must do an internal audit about its resource, and decide on the system
and methods to get things done. In addition, the people elements must also be considered. This means that the culture of the organisation has to be nurtured to a strong and positive one.

In line with the mission, value and objectives, the expected tasks are done in sync. Relative to this, it is expected of Keppel Corporation to the bearing right in the first place.

Quoting from chapter 6 of (Bateman, 2017), the likely recommended strategy by myself if I will be taking the position would be the Multinational Company (MNC) type of model.

Figure 3 Global Strategy

According to (Jimmyong.gnomio.com, 2017), MNC would has the flexibility to give Keppel Corporate the necessary decentralisation required. Hence they will helps KCL to lesser or circumvent the conflicts between functions of the organisations. This could be further strength to branch out into Matrix Organisation required to support the Product Structure.
An organisation is drawn as below:

![Keppel Corporation Organisational Structure](image)

Figure 4 Keppel Corporation Organisational Structure

**Task 3.1: Identify the positive and negative impacts the macro environment has upon business operations, supported by specific examples.**

With increasingly intense competition, shrinking product cycles, accelerated technological breakthroughs, and progressively greater globalization, the business arena may best be described as being in a chronic state of flux, with continual variation in its external environment. Given such ever changing environmental conditions, a firm’s ability to change direction quickly and to reconfigure strategically is crucial to its success in achieving sustainable competitive advantage (Hitt et al., 1998). In other words, firms need to be adaptive to environmental change (Mintzberg, 1994; Dreyer and Grønhaug, 2004).

In term of the positive impacts, the change in interest by US could raise Singapore economy as the stock exchange has been rosy, since the change of USA government, which advocates the continuously increase of USA interest rate.

This is also reinforced and reported in Today newspapers (Today, 17 Mar 2017) heading “Singapore February exports strongest in 5 years, beat forecasts”.

On the negative side, the increase in interest rate by US may dampened the world property market, this would make buying property more unattractive. Since KCL has a high portion of business in property, this would affect their bottom line.
Test 4.1: Conduct internal and external analysis of specific organisations in order to identify strengths and weaknesses.

Let us have a look at Keppel Land (KL) a wing of KCL and its SWOT:

**Strength**
- Keppel Land, a division of KCL has a diverse mix of commercial and industrial building
- Healthy balance sheet
- High occupancy rate on their renting business
- Ability to generate surplus quickly

**Weakness**
- Highly hedged on interest rate
- 1.6 billion cash in reserve

**Opportunity**
- Real estate blooming in emerging markets
- Strong foot hold in China

**Threat**
- Singapore and China market in property have been damped due to government cooling measures
- China and Singapore may raise interest rate in sync with USA.

Interrelating the external and internal environment of KCL, it would appear sensible to quickly capitalising on their strength of good balance sheet and reduce their weakness of over kept cash reserve. As an appointed Business Analyst, I would certainly recommend to closely relook into their over hedge system in interest rate manipulation based on current changed environment.

Another area would be the recruiting of talent, supplemented by woman and elder employees. KCL should lead the industry in this area to gain good reputation in Singapore and China, since the government are encouraging it to ease the low birth rate.

As according to the newspaper, “Technology is key to solve manpower crunch. Since KCL has the strength of huge capital, they should use technology to improve productivity and as a weapon for competitive edge.”
Task 4.2

Determine the internal strengths and weaknesses of specific businesses and explain their interrelationship with external macro factors.

PESTLE Analysis

All organizations need to identify external factors within their environment that could have an impact on their operations. Many of these will be things that the organization has no control over, but the implications of which need to be understood.

A popular tool for identifying these external factors is the PESTLE Analysis, which can be used to help you consider Political, Economic, Social, Technological, Legal, and Environmental issues.

Figure 5 PESTEL Model

To maximize the benefit of the PESTLE Analysis it should be used on a regular basis within an organization to enable the identification of any trends. The impact of a certain external factor may have more severe consequences for a particular division or department and the PESTLE technique can help clarify why change is needed and identify potential options.

Political – Here government regulations and legal factors are assessed in terms of their ability to affect the business environment and trade markets. The main issues addressed in this section include political stability, tax guidelines, trade regulations, safety regulations, and employment laws.
Economic – Through this factor, businesses examine the economic issues that are bound to have an impact on the company. This would include factors like inflation, interest rates, economic growth, the unemployment rate and policies, and the business cycle followed in the country.

Social – With the social factor, a business can analyze the socio-economic environment of its market via elements like customer demographics, cultural limitations, lifestyle attitude, and education. With these, a business can understand how consumer needs are shaped and what brings them to the market for a purchase.

Technological – How technology can either positively or negatively impact the introduction of a product or service into a marketplace is assessed here. These factors include technological advancements, lifecycle of technologies, the role of the Internet, and the spending on technology research by the government.

The below are tabled the key external environment factors.

Figure 5 specific elements in the PESTEL
<table>
<thead>
<tr>
<th>POLITICAL</th>
<th>ECONOMIC</th>
<th>SOCIAL</th>
<th>TECHNICAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>• New state tax policies for accounting</td>
<td>• International economic growth</td>
<td>• Shift in educational requirements and changing career attitudes</td>
<td>• Automated processes in the industry</td>
</tr>
<tr>
<td>• New employment laws for employee handbook maintenance</td>
<td>• Changes in interest rates</td>
<td>• Population growth rate</td>
<td>• Rate of innovation</td>
</tr>
<tr>
<td>• Political instability in a foreign partner country</td>
<td></td>
<td></td>
<td>• Changes in technology incentives</td>
</tr>
</tbody>
</table>
Referencing

Book

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