

**BUSINESS:** *Creating informed, discerning employees, consumers and future leaders*

## Topic 1.5.5 Business response to external influences

### Key Vocabulary

**Obsolete** – out of date or not used anymore. An impact of not adapting to new technology

### Core Knowledge

Responses to technology:

- Merge with other businesses
- Install similar technology – increasing costs in short term
- Change production methods or product

Responses to changes in legislation

- Employ more staff to deal with paperwork / red tape
- Cut back or scrap an area of business
- Invest in technology to meet requirements

Responses to changes in the economic climate:

- Hire staff, invest in equipment, develop new products during good economic times
- Adjust marketing mix
- Spread risk through operating in more than one country or producing a variety of goods that match different consumer needs

### Wider Business World

**Sainsbury** – bought Argos in 2016 to take advantage of their 'click and collect' service

**Independent** newspaper – now only online

**Jaguar Land Rover** – spread production across world to minimise effect of exchange rates



### Synoptic Links

**Technology** – the way in which technology has changed

**Legislation** – three main areas of law affect businesses

**Economic influences** – changes to economic factors can affect consumer income, therefore affecting spending

**Globalisation** – moving production overseas can be a way to minimise impact

### Don't be a "man on the street"

- Remember that businesses have to continually adapt and change in order to be successful
- Not all consumers or businesses will be affected in the same way by changes, so use words such as 'most' when analysing

