

GRADE 11 STUDY GUIDE | 2025

Business Environments

Business Studies

1. The Business Environment

Every business operates within an environment that influences its activities. The business environment has three levels:

- Micro environment: internal factors the business controls (resources, management, employees, culture)
- Market (industry) environment: external factors specific to the business's industry (competitors, customers, suppliers)
- Macro environment: broad external factors NO business controls (PESTLE factors)

2. PESTLE Analysis

- Political: government policies, political stability, legislation (e.g. labour law, tax law)
- Economic: inflation, interest rates, unemployment, GDP growth, exchange rates
- Social: demographics, cultural trends, education levels, income distribution
- Technological: new technologies, innovation, automation, e-commerce, cybersecurity
- Legal: consumer protection (CPA), labour relations (LRA, BCEA), competition law, environmental law
- Environmental: climate change, sustainability, resource availability, pollution regulations

3. SWOT Analysis

SWOT is used to assess a business's strategic position by identifying:

- Strengths: internal positive factors (strong brand, skilled staff, location)
- Weaknesses: internal negative factors (high costs, poor technology, skills gap)
- Opportunities: external positive factors (new markets, changing customer needs, competitor weaknesses)
- Threats: external negative factors (new competitors, economic downturn, new legislation)

KEY: Strengths and weaknesses are INTERNAL (micro environment). Opportunities and threats are EXTERNAL (market and macro environments).

4. Business Sectors in South Africa

- Primary sector: extraction of natural resources (mining, agriculture, fishing, forestry)
- Secondary sector: manufacturing and construction (converting raw materials to finished goods)
- Tertiary sector: services (retail, banking, tourism, healthcare, education)
- Quaternary sector: knowledge and information services (IT, research, consulting)