

Environmental and Industry Analysis

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The analysis of the factors that affects the operations of firms is important as it aids the executives to strategize for the success of the company (Ferrell & Hartline, 2011). A firm whose managers fail to recognize the external and internal forces that affect the operations of the company is liable to collapse as it will quickly lose its customers to its business rivals. The examination of the changes in the industry where a business entity operates is also crucial in guiding the managers to adopt the trends that are significant for the improvement of the operations of the company. In particular, the factors affecting the operations of floatation tank business requires examination for the sound decision-making process.

Sole Float Company managers need to employ the SWOT-Analysis so as to identify changes that are necessary for the firm's improved performance. According to Gretzky (2010), SWOT-Analysis is the examination of the internal strengths and weaknesses of a business and the external opportunities and threats that significantly influence the operations of a company. The previously mentioned company has advantages that have critically contributed to the improved performance of the enterprise. The first strength of the company is the low maintenance costs of the tanks that the firm uses. Consequently, the company does not experience many losses thereby leveraging its ability to invest in other facilities that are significant for the efficient operations of the business. The second strength of Sole Float Company is the active brain stimulation that improves the ability of the firm to conduct innovation practices. The last power of the business mentioned above is the capacity to partner with other medical professions thereby bringing significant changes to the company's performance.

Gretzky (2010) postulates that the executives also need to examine the weaknesses in the firm so as to form significant decisions on how to improve the operations of the enterprise. The company's fault of the business mentioned above is the inadequate knowledge in the new employees of the business entity. Consequently, the firm's executive spends large amounts of money on training their new workers. The other weakness in the previously mentioned company is the high start-up costs that one needs to establish the floatation tank business.

According to Ferrell and Hartline (2011), the external environment of the enterprise also plays a significant role in the success of the firm. Gretzky (2010) opines that the external factors that affect the activities of various companies entail the threats that a company faces during its production process and the opportunities that the company needs to explore. The first threat that the enterprises in the floatation tank business are the loss of trained staff to other firms in the industry. The experienced workers often move to other business institutions that offer them the favorable working environment and adequate compensations. Consequently, Sole Float Company does not have highly skilled employees who are familiar with its activities. The other treat for the firm mentioned above is the health department regulations that limit the ability of Sole Float Company to operate efficiently. The threats in the environment of a business prevent the company to expand its activities thereby limiting the revenues that it generates (Ferrell & Hartline, 2011)

Ferrell and Hartline (2011) argue that the opportunities in the environment of a firm are significant in improving the manner in which the company satisfies its clients. The first opportunity for the previously mentioned company is offering training services for its workers so as to improve the quality of services they provide to their customers. Furthermore, training the employees helps them to innovative and adjusts adequately to the technological changes in their

environments. Sole Float Company also needs to join the associations of other similar firms in the floatation tank business so as to form a union which they can use to air their grievances to the regulation agencies.

The industry analysis plays a significant role in managers' decision-making process since it provides the executive with the idea of the things that they need to do for the success of the firm. For instance adoption of the trends in the industry where a firm operates helps it to adjust to the changes in the technological and economic improvements. The changes that are prevalent in the floatation tank industry which the previously mentioned company need to adopt is the introduction of Epsom salt, gravity-free products, and the sensory types of equipment that will aid in satisfying the clients using the products of Sole Float Company(Beans,2016)

In sum, the executives of a firm need to analyze both the internal and external factors that affect the operations of their business so as to make strategies on how improve the performance of the company. The things that the managers need to observe include the threats, opportunities, strengths and weaknesses of the firm. It is also prudent for the managers to analyze the current trends in the industries where they operate so as to avoid losing their customers to the company's business rivals. The analysis of the environment of a company requires an adequate survey of the market when the corporation operates.

References

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