

Unit 226: Understand employer organisations

CHANGE



WHY IS CHANGE IMPORTANT TO BUSINESS?

To keep up with changing customer needs and expectations.

To survive in a constantly-evolving market.

To keep abreast of competitors.

To find more efficient ways of operating.

To introduce innovation.

To attract more customers and therefore profit.



REASONS CHANGES HAPPEN IN BUSINESS

- mergers
- acquisition of new companies
- new ownership of company
- loss of revenue
- changes in legislation
- rising costs
- new strategies
- sales reviews
- new technology
- economic/political changes
- relocation
- introduction of new products/services
- changes in procedures/systems.



TYPES OF CHANGE

Changes are either

- internal

or

- external

to the organisation.



INTERNAL CHANGES MAY RELATE TO

- technologies used
- systems and procedures
- strategy
- culture
- structure
- staff, teams and leaders.



EXTERNAL CHANGES MAY RELATE TO:

- emerging new technologies
- the market
- the economic and political climate
- new regulations or legislation
- competitors
- the environment.



REVIEW WORKING METHODS, PRODUCTS OR SERVICES

When an organisation reviews its working methods, produces or services, it may impact upon one or more of the following:

- the business as a whole
- management structures
- departments within a business
- employees in teams
- individual employees
- customers
- competitors.



REASONS FOR REVIEWING WORKING METHODS, PRODUCTS OR SERVICES

- loss of sales
- new technology
- new competitors
- changing markets
- economic factors
- customer feedback
- increase profitability
- continuous improvement
- meeting legislative requirements.

