



ЭКОНОМИКА



Opportunities and Threats Analysis: Suleyman Demirel University, 2008

Vaishali Saple

Introduction:

All businesses and organizations operate in a changing world and are subject to forces which are more powerful than they are, and which are beyond their control. Organizations are influenced by forces in their external business environment¹ these forces comprise of the moves and the strategies adopted by its competitors and changes in the general economy and other socio-cultural factors. It is imperative for the organization to precisely study its external environment and strategize accordingly to gain competitive advantage.² External analysis also helps in obtaining a clear picture of the opportunities and threats prevailing therein. Based on the same, the organization can devise suitable strategies to exploit the opportunities and negate the threats. Thus the external analysis facilitates in gaining competitive advantage.

The basic, purpose of this paper is to assess Suleyman Demirel University's potential opportunities and threats. Founded in 1996, Suleyman Demirel University (SDU) is a privately supported, co-educational institution with a worldwide mission. Its major commitments are quality programs of undergraduate instruction, continuing education, research and public service provided at the most reasonable cost to students. The University's programs are particularly responsive to the needs of individuals, public groups, and agencies in the community; all are rapidly adjusting themselves to quickly changing social, political and economical environment of the country. The University aims to develop and pursue its programs in a manner to ensure that eligible students who desire to develop and expand their scholastic skills for personal, occupational, or professional growth have the opportunity to do so, regardless of socio-economic status³. The university offers Bachelor's and Master's Programs in Economics, Computer Science, and Languages. This paper incorporates external analyses for Suleyman Demirel University. The intention of the analysis is to evaluate the university's dynamic environment and to look for potential opportunities and threats.

What is PEST Analysis?

It is imperative for the organization to precisely study its external environment and strategize accordingly to gain competitive advantage. To this effect, the organization uses various analytical tools.⁴

A PEST analysis (also sometimes called STEP, STEEP or PESTLE analysis) looks at the external business environment. PEST stands for Political, Economic, Socio-cultural and Technological. (Technological factors in this case, include

ecological and environmental aspects - the second E in STEEP and PESTLE, while the L in PESTLE stands for legal or legislative). The analysis examines the impact of each of these factors on the business. The results can then be used to take advantage of opportunities and to make contingency plans for threats when preparing business and strategic plans.

Any organization need to consider each PEST factor as they all play a part in determining the overall business environment. Thus, when looking at political factors organizations should consider the impact of any political or legislative changes that could affect the business. If an organization is operating in more than one country then it will need to look at each country in turn. Political factors include aspects such as laws on maternity rights, data protection and even environmental policy: these three examples alone have an on impact employment terms, information access, product specification and business processes in many businesses globally.

Obviously politicians don't operate in a vacuum, and many political changes result from changes in the economy or in social and cultural mores, Thus although tax rates are generally decided by politicians, tax decisions generally also include economic considerations such as what is the state of the economy. For example, in Europe, the politicians drove the introduction of the euro currency but the impacts include economic factors: cross-border pricing, European interest rates, bank charges, price transparency and so on. Other economic factors include exchange rates, inflation levels, income growth, debt & saving levels (which impact available money) and consumer & business confidence. There can also be narrow industry measures that become important. Issues such as the availability of skilled labor or raw-material costs can impact industries in different ways.

Advances in technology can have a major impact on business success, with companies that fail to keep up often going out of business. Technological change also affects political and economic aspects, and plays a part in how people view their world. For example, the Internet has had a major influence on the ways consumers and businesses research and purchase products. Even small businesses can now serve a global market.

Ultimately, however, the various PEST factors are governed by the socio-cultural factors. These are the elements that build society. Social factors influence people's choices and include societal beliefs, values and attitudes. So understanding changes in this area can be crucial, as they lead to political and societal change.

The External Analysis at SDU:

A PEST survey was conducted. Following potential opportunities and threats were identified for the Suleyman Demirel University:

Opportunities:

1. **Changing Educational Demand:** SDU was founded to meet the educational needs of place-bound students, now its future lies in continuing to be resourceful by introducing online degrees, offering distance learning courses and presenting flexible studying hours for example evening programs, night college, etc. for special need students.
2. **Growth in Population in Almaty:** The expanding population in and around Almaty serves as a huge recruitment potential for SDU. SDU should make special efforts in serving that population which can add considerably to the institution's growth potential.
3. **Changing Learning Environments:** Multi-media technology is also changing the way on-campus instruction is delivered and represents an enormous opportunity to develop new and more effective ways of teaching and learning, as well as generating new knowledge. Information technology offers the opportunity for enabling the pursuit of learning from anywhere at any time.
4. **Changing Roles and Responsibilities:** Technology offers the opportunity, to rethink faculty roles and workload assignments. Team approaches that draw upon the strengths of different faculty, supported by resource and technical staff, offer the promise of more effective instruction that also creates time for research and development.
5. **Quality Improvement:** Systematic and serious use of performance assessment, especially of learning results, can lead to improved effectiveness and efficiency. Assessment of this sort constitutes performance research, which is appropriate to institutions of higher learning.
6. **Expanding The Array Of Programs:** SDU has opportunity to seek new program authority in certain fields. It should also revise and diversify options within existing programs to better respond to contemporary educational needs.
7. **Responsiveness to Students:** Although responsiveness to students is a commitment and strength of SDU, it also offers the opportunity for even more rewarding effort. Students are more than customers; they are participants in, contributors to, and products of a highly structured learning environment and developmental process. Being more attentive to their needs can bring improvements in learning, recruitment, retention, career success, and alumni support.

Threats:

1. **Rapidly Advancing Technology :** Uncertainty of the changing technology poses the most far-reaching, unavoidable, and unpredictable threat to institutional stability and competitiveness because technology requires continuous upgrading and is very costly to replace as it involves equipment replacement costs, technical support costs, and employee training costs and this threaten to overwhelm the institutional budget.
2. **Unequal Competition:** Technology brings increased competition within the region from institutions outside of it, SDU also faces competition in providing continuing

education from state universities who are subsidized by the government and thus can offer instruction at prices far below what SDU must charge just to break even.

3. Specialized Accrediting Associations: Professional associations that accredit different fields of the university operations have raised standards in certain areas.
4. Fickle Standards: The administration standard for executing working programs is regularly changing leading to ambiguity in institutions operations.
5. Sluggish Approval Processes : In a rapidly changing educational environment, the time-consuming and complex processes of securing requisite approvals for new programs, program changes, etc are often bureaucratic, unnecessary, and mainly detrimental to meeting educational needs in a timely and efficient way.

Conclusion:

The changes in technological, social and economic environment have generated the following opportunities and threats for the Suleyman Demirel University.

The university has the opportunity for continuing education for intellectual enrichment for people of all ages by offering online opportunities worldwide. International, off-campus study and exchange programs offer opportunity to expand the operations of the university globally. SDU also has opportunity to expand its array of programs, further improve its quality and increase scholarship programs to assist recruitment. But at the same time it has to be aware of the growing competition, the technology, bureaucracy and accrediting systems which create far-reaching, unavoidable, and unpredictable threat to institutional stability and competitiveness.

Reference:

1. http://wiki.answers.com/Q/External_business_environment_analysis-- [retrieved-21th December 2008]
2. <http://jobfunctions.bnet.com/abstract.aspx?docid=80287>[retrieved-21th December 2008]
3. http://www.sdu.edu.kz/index.php?option=com_content&task=view&id=15&Itemid=38 [retrieved-20th December 2008]
4. <http://www.marketing-intelligence.co.uk/help/Q&A/question14.htm> [retrieved-21th December 2008]

Түйін

Мақалада Сүлеймен Демирел атындағы университетінің ішкі анализі және мүмкіншіліктері мен қауіпсіздік жағдайлары қаралды.

Резюме

В статье анализируется внутренний анализ университета имени Сулеймена Демиреля возможности и угрозы.

Özet

Мakale Süleyman Demirel Üniversitesinin OT analizi hakkında.