

Unit 2 — Environmental Scanning

Strategic Management | BMB 301 / KMBN 301

Unit 2: Environmental Scanning

Exam Blueprint (2022–2025 papers)

Topic	Years asked	Marks
Porter's Five Forces Model	2022, 2023, 2024, 2025	2 & 10
Value Chain Analysis	2022, 2023, 2024, 2025	2 & 10
Resource Based View (RBV)	2022, 2024, 2025	2 & 10
VRIO Framework	2023, 2024, 2025	2 & 10
PESTEL Analysis	2024, 2025	2 & 7
Environmental scanning — need & factors	2022, 2023	10
IO and SCP approach	2024	10
Building blocks of competitive advantage	2023	2

YE QUESTION BAAR-BAAR AAYA HAI

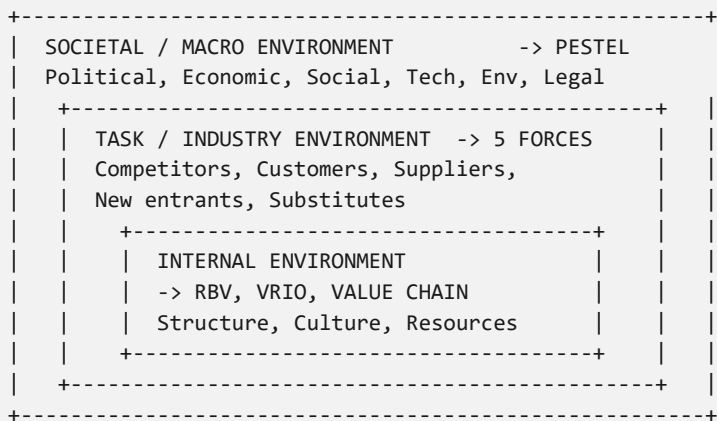
Ye **poore paper ka sabse zyada marks wala unit** hai. Five Forces, Value Chain, RBV aur VRIO — chaaron pichle 4 me se 3-4 papers me aa chuke hain. Agar sirf ek unit padhna ho, toh ye padho.

1. Environmental Scanning — Concept

DEFINITION - RATTA MAARO

Environmental scanning is the monitoring, evaluating and disseminating of information from the external and internal environments to key people within the corporation, to identify **strategic factors** that will determine the firm's future.

1.1 Layers of the Environment



External -> Opportunities & Threats | Internal -> Strengths & Weaknesses

1.2 Why Environmental Scanning is Needed

1. To detect **opportunities and threats early** and gain first-mover advantage.
2. To cope with **rapid change** in technology, regulation and consumer taste.
3. To **reduce uncertainty** in strategic decision making.
4. To identify the firm's **strategic factors**.
5. To **align internal capability with external demand** and avoid strategic drift.
6. To provide the raw material for **SWOT** and hence for strategy formulation.
7. To ensure **long-term survival** — organisations are open systems.

2. PESTEL Analysis (Macro Environment)

Factor	Covers	Indian example
P — Political	Government stability, trade policy, taxation, FDI norms, subsidies	PLI schemes attracting electronics manufacturing
E — Economic	GDP growth, inflation, interest rates, exchange rates, income	RBI repo-rate changes affecting housing loan demand
S — Social	Demographics, lifestyle, education, attitudes	Young median age driving edtech and online gaming
T — Technological	R&D, automation, obsolescence, innovation	UPI displacing cash and cards
E — Environmental	Climate, pollution norms, sustainability	BS-VI norms forcing engine redesign in auto
L — Legal	Company law, competition law, labour law, data law	Digital Personal Data Protection Act, 2023

Limitations: descriptive only; static snapshot; can cause information overload; does not prioritise factors.

EXAM TIP - AISE LIKHO

Answer structure: PESTEL define karo → 6 forces ki table with one example each → batao ki ye SWOT ke **O aur T** feed karta hai → limitations → conclusion.