

Environmental scanning

APA Communicators
Forum

November 13, 2008



Definition

- **Environmental scanning** is a process of gathering, analyzing, and dispensing information for tactical or strategic purposes. The environmental scanning process entails obtaining both factual and subjective information on the business environments in which a company is operating or considering entering.

Another definition

- Environmental scanning is the acquisition and use of information about events, trends, and relationships in an organization's external environment, the knowledge of which would assist management in planning the organization's future course of action.

Or, another way to look at it

- Intelligence work



End game?

- Get it
- Know it
- Use it

Quiz

- \$770B
- \$10B

Methods

- There are three ways of scanning the business environment:
- **Ad-hoc scanning** - Short term, infrequent examinations usually initiated by a crisis
- **Regular scanning** - Studies done on a regular schedule (say, once a year)
- **Continuous scanning** - (also called continuous learning) - continuous structured data collection and processing on a broad range of environmental factors

Macro environment

- The economy
- Government
- Legal
- Technology
- Ecology
- Socio-cultural
- Suppliers
- Stakeholders

2 important factors

- Scanning these macro environmental variables for threats and opportunities requires that each issue be rated on two dimensions. It must be rated on its potential impact on the company, and rated on its likeliness of occurrence. Multiplying the potential impact parameter by the likeliness of occurrence parameter gives us a good indication of its importance to the firm.



Response

When an issue is detected, there are generally six ways of responding to them:

- opposition strategy - try to influence the environmental forces so as to negate their impact - this is only successful where you have some control over the environmental variable in question
- adaptation strategy - adapt your marketing plan to the new environmental conditions
- offensive strategy - try to turn the new influence into an advantage - quick response can give you a competitive advantage

Response, cont.

- redeployment strategy - redeploy your assets into another industry
- contingency strategies - determine a broad range of possible reactions - find substitutes
- passive strategy - no response - study the situation further

Tools

- Newspapers
 - Large, small, alternative
- TV news
- Radio news, shows
- Trade publications
- Business meetings
- Professional meetings
- Trade association meetings
- Assembly, council meetings
- Community, neighborhood meetings
- Candidate forums
- Social interactions
- Listserves
- Gavel-to-gavel
- The Internet
- Blogs

Important words

- Association
- Context
- Perspective
- Insight
- Forewarning
- Reasoning

Quiz

- Who has a computer here with them today?

Quiz

- Who has a computer here with them today?
- You all do



Quiz

- 60
- 40
- 20

Quiz

- 21
- 11
- 1

Quiz

- \$147
- \$56
- \$83

Quiz

- More than 3,000
- 814

Case study

Why didn't the polls properly predict the U.S. Senate race in Alaska?



Your experiences?

