



THE TIMES 100

BUSINESS CASE STUDIES

SLEPT Analysis – IMI

IMI is a global engineering group involving many different engineering specialities. It is recognised worldwide for its innovation, expertise and global service and sells engineering solutions in over 50 countries to match customer needs. IMI provides tailored products and services to companies such as Chevron, Shell, Volvo Trucks, General Motors, Coca-Cola and McDonalds, as well as smaller niche companies dealing in specialised equipment or building materials. The company has a long history of working in valve and fluid engineering technology. It uses this expertise to design and develop products to control the flow of liquids or gases for organisations in a wide range of markets. These include nuclear, oil and gas, medical devices and the food and drink industry.



Businesses need to take account of and react to what is happening outside the company – the external environment. These environmental factors may be analysed using SLEPT:

- Social factors – for example, the UK's ageing population is affecting the availability of skills.
- Legal factors – regulatory standards or legislation such as Health & Safety might lead to increased training needs.
- Economic factors – the current global recession is causing downturn in demand.
- Political factors – government initiatives are requiring businesses to address the issues of climate change.
- Technological factors – the impact of the internet makes it easier to compare the value of products and services.

IMI has identified four clear global trends within its external environment. These trends are shaping the direction that the business is taking to achieve growth.

1. Climate change - IMI has responded to this global issue by developing products to provide cleaner energy as well as helping organisations to reduce their energy consumption.

IMI is supplying severe service valves into a number of major liquefied natural gas projects (LNG) in Australasia. The demand for LNG has been growing because gas is a much cleaner fuel to use for power generation than coal.

2. Resource scarcity - There is a global need to manage resources such as water and energy more efficiently in order to ensure sustainability. IMI is developing a range of engineering solutions to manage the use of energy, water and waste more efficiently. IMI's innovative engineering has also developed ways of controlling building environments.

In France IMI has developed the country's first 'energy positive' building which produces more energy than it consumes.

3. Urbanisation - The rapid urbanisation taking place around the world, particularly in emerging markets such as China, requires significant investment in mass transit infrastructure. This is to ensure that the rapidly expanding urban population have reliable transport options.

CSR Zhuzhou in China services main line electric locomotive trains. They required a new type of pantograph (the equipment which links the train to the overhead electricity cables) as their existing pantograph could only cope with speeds of up to 200km per hour. IMI's subsidiary, Norgren, was able to create a new pantograph which could operate effectively at 400km per hour in addition to coping with temperature fluctuations from - 40°C to +80°C – without affecting performance.

4. Ageing population - IMI's technical expertise is also used to support many different types of medical equipment. As the global population is living longer, more support is needed to keep people healthy. IMI is delivering specialised products to support this.

Shenzhen Mindray Electronic Co Ltd is a developer of medical devices for patient monitoring in China. The company needed a regulator to control the flow of inlet gas for a life support ventilator. IMI's new regulator is 15% lighter and 20% smaller than those previously available, which makes the device more portable and convenient. The new regulator is also 60% quicker to assemble and is 10% cheaper than previous models.



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Questions

1. What does SLEPT stand for?

2. Describe what is meant by the 'external environment'.

3. Explain what is meant by social factors.

4. Analyse how IMI has been affected by social factors in its external business environment.

Task

Choose a business that you know, preferably one that is quite different from IMI. In small groups, discuss how it might have been affected by technological factors over the past decade. Feedback to the rest of the group.

What have you learned?

In exactly thirteen words, explain something you have learned from this session about external factors and SLEPT analysis.