



THE TIMES 100

BUSINESS CASE STUDIES

Teacher guide

PEST analysis – Johnson Matthey

Where does the lesson fit?

This session would fit in a business environment or external influences module.



Suggested resources & activities related to PEST analysis and Johnson Matthey

- Full Johnson Matthey case study
- MP3 of the Johnson Matthey case study
- External influences PowerPoint
- Johnson Matthey crossword
- Johnson Matthey word search

Suggested timings for the session

10 mins	Starter e.g. Johnson Matthey crossword
5 mins	Use the external influences PowerPoint to discuss the topic
5 mins	Read the case study
10 mins	Questions
20 mins	Task – mind map
10 mins	What have you learned?

Answers to questions

1. What does PEST stand for?
PEST stands for:
 - Political (includes legal)
 - Economic
 - Social (includes environmental)
 - Technological



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2. Describe what is meant by the 'external business environment'.
The external environment refers to those things outside of the operations of an organisation which impact upon it but over which the business has no control.

3. Analyse why PEST analysis is used by firms.
PEST analysis is used by firms to assess the external business environment in which they operate. Managers and directors can then make decisions on their findings. PEST analysis therefore will inform any new objectives being set and the marketing strategy for the firm.

4. Evaluate the impact that the 2008 banking crisis had on Johnson Matthey.
The 2008 banking crisis which led to the recession:
 - Meant a fall in demand for its products
 - Increased efficiency within the company -reducing the use of natural resources and decrease waste through lean production techniques.
 - Efficiencies made the company more sustainable - saving the company money whilst at the same time conserving the planet's valuable natural resources.

What have you learned?

Expected learning is likely to include:

- Definition of the external business environment
- PEST factors
- Use of PEST analysis to develop marketing strategy
- How firms respond to external factors
- Examples of these factors