

## BUSINESS AND BUSINESS ENVIRONMENT

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## Part I

### Introduction

Business organisations are of many types. Organisations can be private limited run by a sole trader or in partnership. They can also be for profit organisations or for non-profit organisations. Companies could also belong to the public limited group which is essentially governmental organisations run for the benefit of public. These companies together establish mixed economy; which is a type of economy where both the private companies and governmental organisations exist to run the economy keeping in mind the welfare of the general public (Simões *et al.* 2016, p.3330).

This part of the report represents two companies; one from the private sector namely Titan airways; which are a UK based Charter Airline Company and public limited company namely British airways which are run by British government. A thorough analysis of both companies will be done to understand the business trends and business environment.

## **British Airways**

### **1.1 Company overview**

British Airways (BA) is based in Waterside UK is a public limited governmental airline company; main hub based in London Heathrow Airport. It is the largest British airline company according to fleet size and b passenger size it is the second largest one in UK. After the civil aviation act passed in 1971, the UK government established a British Airways Board in 1972 so that British Overseas Airways Corporation (BOAC) and British European Airways (BEA) could be managed. Afterwards in 31<sup>st</sup> March 1974, British Airways was established. Apart from its primary base in London Heathrow Airport British Airways also has its presence in Gatwick Airport and London City Airport. BA owns 40% of the slots of the London Heathrow Airport where the majority of the services run from terminal 5 with the small exceptions of terminal 1 and 3. Over the years of its existence the airline company has seen a few ups and downs. In 2011 BA merged with Iberia forming one of the world's largest International Airline group (Britishairways.com, 2017).

### **1.2 Services Offered**

British Airways offers two types of flying services as of 2016. These are Fleet and cargo fleet. In addition BA serves about 160 destinations n the world including six domestic destinations (Britishairways.com. 2017).

#### **Fleets**

As of 2016, BA consists of about 268 Fleets in service. Below the chart of fleets are provided.

Aircraft	In service	Orders
Airbus A318-100	2	
Airbus A319-100	44	
Airbus A320-200	68	
Airbus A320neo		25
Airbus A321-200	18	
Airbus A321neo		10
Airbus A350-1000		18
Airbus A380-800	12	
Boeing 747-400	37	
Boeing 767-300ER	7	
Boeing 777-200	3	
Boeing 777-200ER	43	
Boeing 777-300ER	12	
Boeing 787-8	8	4
Boeing 787-9	14	4
Boeing 787-10		12
<b>Total</b>	<b>268</b>	<b>73</b>

### Cargo Fleet

British Airways World Cargo was the freight division of the cargo before they merged with Iberia to form IAG cargo division. In 2014 IAG entered into an agreement with Qatar Airways so that Qatar Airways can operate flights for IAG using Qatar's Boeing 77F (Britishairways.com. 2017).

### **1.3 Size of the Organisation**

The total number of people (Pilots) associated and working for BA until 2015 is 42322. A total of 15907 is working for British Airways as of 2015. The gross annual revenue at the end of 2015 is €m11,333 with a profit of €m1264 and in the year 2016 the revenue and profit further raised to £m11,443 and £m1,473 respectively (Lawton *et al.* 2013). The number of passengers using BA as of 2015 stands for 43.3 million and in 2016 it rose to 44.5 million. The percentage passenger load factor stands for 43.3% (British Airways., 2017).

### **1.4 Industrial relations**

British Airways has codeshares agreement between the following Airlines.

- 1) Aer Lingus
- 2) Air Berlin
- 3) air Baltic
- 4) American Airlines
- 5) Bangkok Airways
- 6) Cathay Pacific
- 7) China Eastern
- 8) Finnair
- 9) Flybe
- 10) Iberia
- 11) Japan Airlines
- 12) LATAM Brazil
- 13) LATAM Chile
- 14) Qantas
- 15) Qatar Airways
- 16) Royal Jordanian

17) S7 Airlines

18) TAAG Angola Airlines

19) Vueling

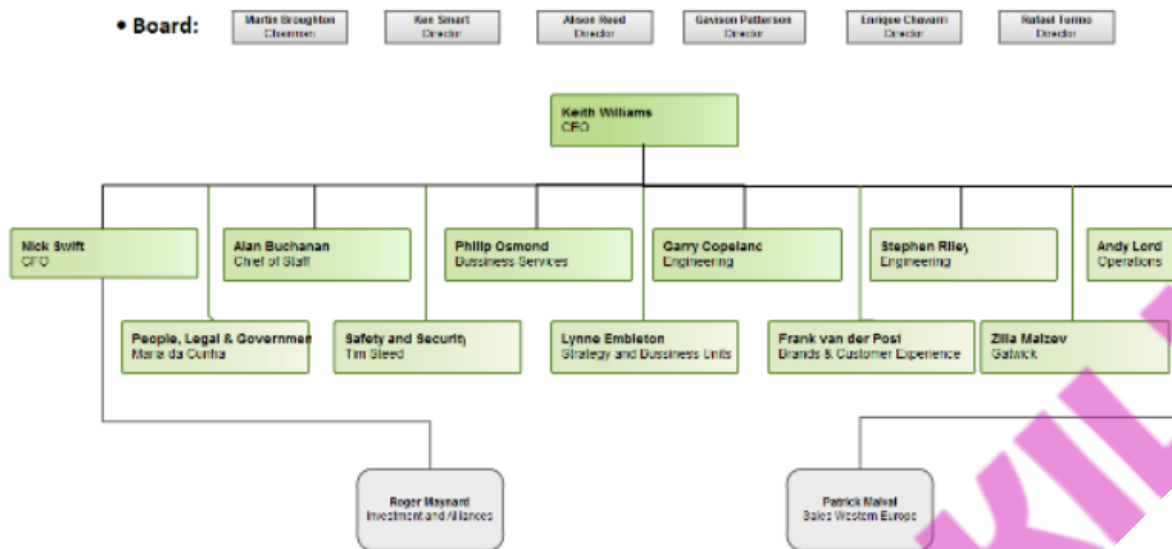
BA City Flyer is a subsidiary of BA which operates flights from its base on London City Airport. After the establishment of Open Skies agreement in between Europe and United States British Airways established another new supplementary airline called Open-Skies which were formerly known as "Project Lauren". In June 2008, the airline started functions and as of now provides flights direct from Paris to New York's JFK and Newark airports (Lange *et al.* 2015, p.389).

### 1.5 Business objectives

Their business objective statement is *“Meeting the rising expectations of our customers’ remains central to our strategy of transforming British Airways into the world’s leading global premium airline. Our investment in our staff, our fleet and our facilities are all about making sure we provide the very best in customer service. We want all of our customers to enjoy a premium service at every point of their journey, whenever and wherever they travel with us.”* (British Airways, 2017)

According to this statement the British airway thrives to become not only UK’s but world’s best airline service. They target to be the best in the industry while meeting their customers’ growing expectations. In every step of the way they aim to provide all their customers premium services. In general the prime objective of the company is to become the number one airline company in the world with its international collaborations by serving their customers with supreme quality and services (British Airways Plc., 2017).

## 1.6 Organisational structure



Source: (Titan-airways.com, 2017)

The chart over states the names of the heads of the departments and are the pillars of the British airways as of 2015. The departments along with the names are specified. In the beginning of 2015 the organisations introduced some changes in the organisational structure. In 2016 Alex Cruz took over as the new CEO. It is expected that the new CEO will be implementing cost cutting measures that will result in the de-layering of the organisational structure. The unique organisational structure of the British airways is led by a general manager who works directly under the CEO. The general manager is answered by the other division and subdivision managers. The general manager is answerable to the board of directors. The branches of the divisions are led by branch managers. Branches include imports, customer service, finance, marketing sales and HR.

## **Titan Airways**

### **1.7 Company overview**

Titan Airways is a private British charter airline. It was founded in 1988 and is based at London Stansted Airport. The airline is specialised in short notice ACMI along with wet lease operations (Titan-airways.com. 2017). They also provide ad-hoc passenger as well as cargo charter services to tour operators, governments, corporations, the sports and entertainment business sectors. The company holds UK Air Operators Certificate, FAA Part 129 (Approval to operate to USA), Canadian Foreign Air Operators Certificate, Approved Training Organisation (ATO), Dangerous Goods approval, Worldwide approval and experience, Low Visibility Operations – Autoland Cat 3B NO DH - RVR 75 m (Boeing 757/767), ETOPS 180' (B757/767), RVSM/MNPS/PRNAV/BRNAV/RNP10 and United Kingdom Civil Aviation Authority Type A Operating Licence. These licences permit it to carry passengers, mail on aircraft and cargoes (Titan-airways.com. 2017). The cargoes can have 20 or more than 20 seats due to these licences and have 11 aircraft in the fleet. As mentioned the airline company was founded in the year 1988 but was founded as a subsidiary of the Artac Freight and Shipping Group. The Airline Company was first named after its first aircraft type which was a Cessna 404 Titan. Initially they only used to carry car parts between various Ford/General Motors facilities in the UK and Europe (Titan-airways.com. 2017). Later on they started ad hoc freight charters along with ultimately passenger charters. The fleet later grew to include an Embraer Emb 110 Bandeirante, two Short SD 330s and three SD 360s by the year 1993 (Titan-airways.com. 2017).

### **1.8 Services offered**

The Airline Company provide 10 services that include Airline sub charter, Aircraft leasing, cruise or tour operators, sports travel, corporate event travels, VIP charter, film and music

industry, government and military aircraft services, cargo, oil and gas. As of march 2016 the Titan Airways consists of the following 11 fleets (Titan-airways.com. 2017).

<b>Aircraft</b>	<b>Total</b>	<b>Orders</b>
Airbus A319-100		1
Airbus A320-200	3	
Airbus A321-200	1	1
Boeing 737-300QC	1	
Boeing 737-400QC		1
Boeing 757-200	2	
Boeing 767-300ER	1	
Boeing 737-300	1	
Cessna Citation CJ2+	1	
Embraer Legacy 650	1	
<b>Total</b>	<b>11</b>	<b>3</b>

Embraer Legacy 650, Cessna Citation CJ2+ and Boeing 737-300 are parts of titan Airways executive fleets (Titan-airways.com. 2017).

### **1.9 Size of the Organisation**

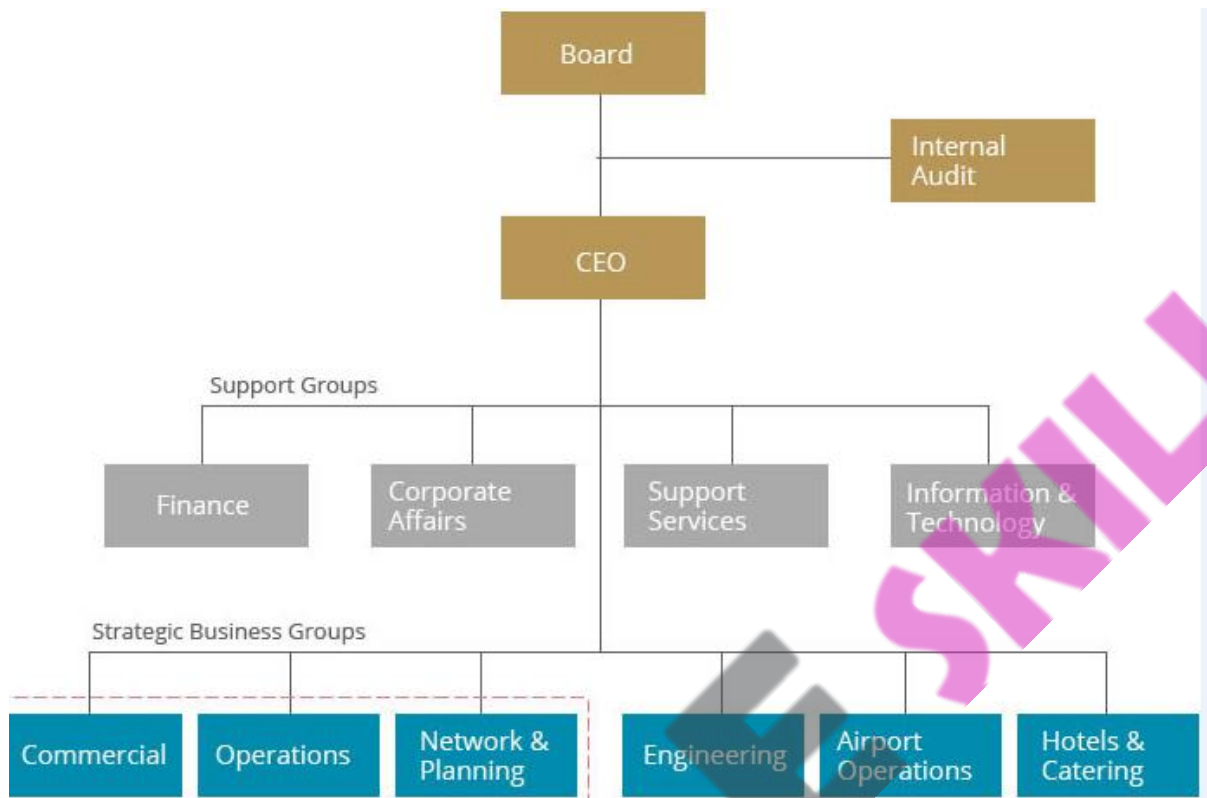
The total number of people (Pilots) associated and working for Titan Airways until 2015 is 1691. A total of 637 are working for Titan Airways as of 2015. The gross annual revenue at the end of 2015 is €m538 with a profit of €m447 and in the year 2016 the revenue and profit further raised to £m711 and £m517 respectively. The number of passengers using Titan Airways as of 2015 stands for 135107 million and in 2016 it rose to 144100 million. The percentage passenger load factor stands for 23.3% (Titan-airways.com. 2017).

### 1.10 Business objectives

The business objective statement of Titan Airways is “*At Titan Airways we are committed to exceed the expectations of our valuable guests and stake holders by building a “First Choice Airline”. Our aim is to provide a safe, reliable and seamless flying experience, enhanced by warm and friendly customer services, without compromising on quality and profitability*” (Titan-airways.com, 2017).

The essence of this statement is that Titan airways thrive to become the topmost private airline company of UK and providing their passengers the seamless flying experience they deserve. In the recent years the company has been able to reach its business objectives. After 2012 when the company again became completely independent company they successfully achieved IATA’s Operational Safety Audit, IOSA, and registration in 2013. This is an internationally recognised quality-standard, designed to comprehensively assess the operational management and control systems of an airline. In addition, Titan Airways has won the BACA Best Passenger Charter Airline Award on multiple occasions and today has the prestigious reputation of the “*Airline of Choice*” for a wide variety of air charter services worldwide (Titan-airways.com. 2017).

### 1.11 Organisational Structure



Source: (Titan-airways.com. 2017)

The company is run by a board of directors under who work CEO and the internal audit. The CEO handles support groups and Strategic business groups. Under the support groups there are several departments like finance, corporate Affairs, Support services, Information and technology. Under the strategic Business Groups they have departments handling their Commercials, operations, networking and planning engineering, airport operations, hotels and catering. Gene Willson is the present managing director of the airline company where as Alastair Kiernan is the commercial director of the company. Under their leadership the company is making huge profits while constantly growing their business and collaborations by a large margin (Titan-airways.com. 2017).

## Analysis

### 1.12 Organisational Structure

The main functions of the organisations are supported by their functional structure. The functional structure means a common type of organisational structure where the function of the organisations is divided into smaller groups of specialized functional areas. In this design people are employed based on their specialized skills. Specialized skills may include Finance, sales, marketing, HR, information technology, quality department and research and development. People belonging specialized areas are grouped in these departments and inter-relationships between these departments enables a company to develop and excel in its respective fields. Acquiring specialized skills enables employees to perform their assigned tasks faster and with precision. Therefore productivity is automatically increased. The specialized personals apply their specialized knowledge of products and services in the respective areas to increase the productivity.

In the present scenarios two different organisations have been chosen for the analysis. One company belongs to the government sector and the other one belong to the privet sector. The organisational structure and function for both these sectors are considerably different. However the companies work in airlines sector of UK. The organisational structure for both implements departmentalisations which employees people with specific skill sets to different departments. For example the finance department works towards generating grater revenues and they work in conjunction with the marketing, sales and HR department to achieve that. The British airways organisational structure has several layers as it functions internationally. It has several subsidiary groups with much domestic and international collaboration. They have a large variety of products in terms of different products and offer several services like passenger flights and cargo fleets. For this they have several kinds of flights and the engineering department advices the boards which technology is the best for the current era

and need to be purchased. The marketing department develops divergent marketing strategies and advertise their services so that more people choose to travel with their airline. This increases their sales and generates more revenue. The marketing and sales department together devise strategies in order to generate more profit. All these decisions are run by the CEO or the board of directors. The Titan airways due to its organisational structure are thriving as well in the privet airline industry. Although compare to British airways its business s small scale with much lesser number of employees and less annual turnover, but with respect to the size of the organisation, the company is generating much more profit than any other privet airline of UK. The organisational structure ha lesser number of functional areas and divisional areas compared to British Airways however they seem to be doing well with their lesser divisional layers. Therefore, it can be said that with the size of the organisation the divisional layers and functional structure changes.

### **1.13 Organisational Objective**

The organisational objective statement of both the organisations namely British Airways and titan Airways differ from each other however the essence remains the same. As the size of business differs, their future target differs. While both companies target to provide quality service to their customers their goal slightly differs as British Airways working towards the world's best airline company and Titan Airways is working towards becoming the top privet airline of UK. The functional structures as mentioned above decide the way these organisations will function. Each department in the organisational structure has a leader and that leader leads a specialized team. The team objectives, aims and goals are set in accordance to the companies' business objectives. For example the business objective o British Airways is to become the world's number one airline company while offering the best quality and variety of services to its customers. Therefore the marketing department will work on marketing strategies that will enable the company to become so and this will be done

by generating more profit. The profitability of the company will increase when the sales department will make strategies that will support the marketing strategies. The HR department will deal with the external and internal stakeholders and try to look after the welfare of both. As British Airways is a public sector, it will generate profit by offering larger services to capture greater number of customers while offering lower prices. In contrast Titan Airways being a private charter airline service will bid for higher prices and will try to compel customers belonging to high income group. The finance department of both companies will try to implement the differing organisational business objective and build team goals in accordance to them in order to generate greater revenue in the end of the year. The CEO or board of directors for both the companies work tirelessly to achieve these organisational goals as of today. While the new CEO of the British Airways is trying to cut down divisional levels and reduce the organisational workforce the Titan Airways is enforcing more people so that their new ventures for launching new aircrafts and services could be successful.

#### **1.14 Impact of Organisational functions on Organisational Structure**

Organisational functions of a company have both its advantages and disadvantages. While the different organisational functions employ specialized workforce to achieve quality work and more productivity there are intense power struggles observed in different functions. With too many functional areas existing in the company the relationships and easily become stressful and decision making can take longer. The costs for employment also increase if there are too many specialized departments (Stark, 2015). Probably these factors have influenced the new CEO of British Airways to decide upon reducing the sub levels of the functional structures. The organisational structure on the other hand thrives to make organisational function smoother through departmentalizations. The advantages of the organisational structure include access to expertise, stability of permanent department assignments for employees and it allows for focus on specific projects, products, or customers (Gounaris and Tzempelikos,

2014, p.1113). However the disadvantages are confusion of command, Power struggles and conflicts, lost time in coordinating, and excess overhead for managing matrix functions. These drawbacks may slow the organization function and reduce productivity. A balance is required to be maintained between the two to achieve greater productivity. The new leadership for British Airways may change the organization structure and function both so that greater profitability is achieved. For Titan airways on the other hand further extension in the organizational structure s required to achieve supreme organizational function as they are exploring the market. They lack n international relations therefore for now the structure is seamlessly supporting heir functions however the moment they will start exploring and joint ventures a further extension of the structure will be required.

## Part II

### Section 1

#### 1.15 Microenvironment analysis

Business environment cannot change the external environment that has a great impact on company's business operations. Therefore it is highly essential for business to assess business environment to survive in the market (Belobaba *et al.* 2015).

External environment consists of individuals, groups, agencies, events, organizations and forces. Proper designing and administration of macro environments will help business to develop business strategies to fit into the external changes (Klapper *et al.* 2011).

The elements of Macro Environment are,

- Political
- Economic
- Demographic
- Government
- Cultural
- Technological
- Legal
- Global

Macro environment basically consists of,

- Economic Environment
- Political Environment
- Legal Environment
- Demographic environment
- Natural Environment
- Physical and technological environment

- Socio-cultural environment
- Technological environment
- Global and International environment

### **Positive impact of Macro Environment on airlines industry:**

**Economic Environment:** The economic situation of the region, money, raw materials, supplies markets that have an influence on BA business operations. Economic strength or weakness in the market determines the prospect of airline business (Yu, 2012). Since UK is a developed country and its economy is quite stable, so it has a positive impact on Airlines business (Assaf, 2011, p.2170). Moreover, in UK investments and income are steadily rising soothe business prospect of BA and Titan Airways are fairly high and demand is on the rise for airline services. Economic environment encourages liberalisation, globalisation, so as a privatised company Titan Airways could witness reform policies in favour of its business expansion.

**Political Environment:** Political environment means government, legal and political environment this has close relationship with country's economic system and economic policies (Assaf and Josiassen, 2011, p.10). Political stability, ruling party's political ideology, inclination, law and order situation of the country have a great impact on airline business. UK is politically stable country but with recent BREXIT issue, UK has faced some political instability that has an impact on airline business of BA and Titan Airways. Moreover, liberal policies of the government regarding labour, industrial, import-export, monetary give a boost to the business operations of airline industry (Borenstein and Rose, 2014, p.100). UK has a sound legal system that has a positive impact on BA business which is a government owned business, since mostly airlines are governed by strict rules of the country, Titan Airways is also influenced by the sound legal and political system of UK.

**Socio-Cultural Environment:** To succeed in business, any airlines industry should be abide by the taste, preferences, culture and traditions of the country (Coles *et al.* 2011, p.521). BA is government owned airline and most of the revenues come from domestic market, so it is highly essential for BA to work in tandem with country's culture, taste, preferences. On the other hand, Titan Airways is a private company; still it has to respect the values, norms of the country to do business in the UK soil. Socio cultural environment is a growing concern especially in developed countries, so any organization wants to work in UK, should take care of the environmental issues (Cowper-Smith and de Grosbois, 2011, p.61). BA is regulated by the government, so customer's expectation from BA is far more than Titan airways as far as environment is concerned.

**Demographic Environment:** Demographic factors like population size, growth rate, language, caste, age have an influence on formulating and implementing company's strategy (Evans *et al.* 2012, p.65). Since BA is mainly focusing in UK, so they have a clear idea about country's demography, but in case of international operations, both the airways, should know the culture of the countries they are operating. Since BA and Titan Airways both are providing luxurious travel opportunities to their elite customers, so while expanding their business in developing countries, these two airlines need to consider the financial and demographic aspect with top priority.

**Global Environment:** This is one of the important factors of Macro environment. The scenario of competitive environment is changing rapidly and it is highly important for the airline industry to assess the significance of terrorist attacks or any sports meet (Linz, 2012, p.30). Moreover emerging markets of developing countries like India, South Korea and China could be considered by both the companies for expanding the business.

### **Negative impact of Macro Environment on airlines industry:**

Airline industry are heavily influenced by the external factors the most important factors that have negative impact on Airline industry are Political Environment, Economic Factors, Technological Factors (Liou *et al.* 2011, p.3518) .

**World Political Environment:** Oil crisis causes havoc with the airlines industry, when Gulf War happens then suddenly the price of crude oil goes up, next day the jet fuel price increases and next morning, airlines earnings estimates are cut down (Pearce, 2012, p.7). This uncertainty cost a huge loss for aviation industry in 90s. BA is one of the largest airline industry of the world, in spite of that they suffered a great loss for Gulf war. This kind of political instability has a great impact on airline business. When political parties don't get clear majority in their respective country, then industry and commerce suffer a lot due to hung government (Ramón-Rodríguez *et al.* 2011, p.112). This kind of situation will affect the business of airline industry.

**Economic Factors:** The effect of economy on Airline industry is complex. When some country faces prolonged recession, or fuel price hike or global slowdown due to recent events like BREXIT or terrorist attacks, then customers prefer low cost airlines (Sevcli *et al.* 2012, p.20). BA serves executive class people, so this kind of incident reduces their revenue, since Titan Airways specialises in Charter services, so their business is also got affected due to economic slowdown. Moreover, increase in fuel prices leads to increase cost of operations. Many airlines adopt different strategies to lower down their operational costs (Tsai *et al.* 2011, p.15500).

**Technological Factors:** Technology has heavy impact on the airline industry. To cope up with the market, Airlines need to adapt latest fuel efficient technology, without upgraded technology, airlines industry won't be able to decrease their operational cost and sustain in

the long run. Moreover, any negligence regarding passenger safety will constitute legal constraints for the airlines (Tsai, 2012, p.220) .

MIRACLE SKILLS

## Section 2

### 1.16 Internal and external analysis to identify its core strengths and weaknesses

British Airways (BA) is one of the largest airlines of UK and has domination in domestic and international flights in the commercial airline industry of UK. The company's main aim is to give quality service to its customers and they mainly provide service to Executive class customers. In case of Titan Airways, it basically provides wet lease operations and cargo charter services to tour operators, sports or entertainment industry.

#### **Internal Analysis of British Airways:**

**Strength:** BA flies to more than 400 destinations all over the world and this extensive scope of operations gives BA benefits from the economies of scale. This helps the Airlines to further strengthen its competitive advantage by investing in new advanced fleets. This company has a strong brand image and this is awarded as best European airline by Independent. The current leadership in the UK market is its biggest strength. Moreover high level of digitalization and IT integration gives the company a competitive advantage.

**Weakness:** Owned by British government, this airline has more dependency on UK market. Almost half of the revenue is generated in UK market. Again, British Airways profit margin is also less compared to the average profit of other Airline industry.

#### **External Analysis of British Airways:**

**Opportunity:** BA could form strategic co-operation with other businesses in airline industry. Moreover, it could work on market expansion in international arena apart from UK. It could improve relations with unions for growth in financial figures. Moreover, the main strength of BA is its brand image, so any kind of business partnership in domestic or international market will be profitable for BA.

**Threat:** The competition has become more stringent in domestic and international airline industry which is the biggest threat for BA. Again, service disruptions due to terrorist attack, employee strike and conflict with UK government have a negative impact on BA's business. Due to recession in 2008, BA along with other airline industry faced huge financial losses. Moreover BA's main focus is in domestic market, so it could be a threat for the company, since there are many players emerging in domestic market.

#### **Internal Analysis of Titan Airways:**

**Strength:** Titan Airways has a nice mix of carriers like Airbus, Boeing and aircrafts that give the airlines a scope to flourish in multiple ways. It has a strong brand name in charter service and has awarded best leisure airline prize. It provides seasonal operation in Turkey, Corsica that generates higher revenues. Main clients are government and UK government helps in revenue earning and building brand image. This airway specialises in corporate travel and handling VIP passengers.

**Weakness:** This airway is currently incapable of expanding its business rapidly due to financial issues. As it is providing mix carrier service, so there is no scope for economies of scale for fleet maintenance.

#### **Internal Analysis of Titan Airways:**

**Opportunity:** Low competition in domestic charter market. More government agencies are taking interest in this airline that gives an opportunity to earn greater revenue. The super luxury image is giving leverage to the company. Company could focus on charter market by upgrading their service, moreover liaison and collaboration with private agencies apart from government departments and agencies will increase company's earnings.

**Threat:** More airlines are entering into charter airline segment, rising fuel price is also a great concern, and established brands are giving direct competition by increasing operations. Fuel price hike is affecting the business operation of Titan Airways. Moreover many domestic companies are focusing on charter airline business. Titan Airways needs to focus on international market to cope up with the competition.

### Section 3

#### 1.17 Analysis of links between external macro factors with strengths and weaknesses

##### PESTEL analysis of British Airways:

Political Factors	Government owned airlines BA is influenced by tight security measures, apart from safety and security, air fares, airport slots and selection of business partners are also controlled by British government. After 9/11 companies like British Airways has developed new measures to endure safety and security to passengers.
Economic Factors	After 2008 recession BA faced worst experience. This has a negative impact in passenger and business people travelling across Europe and US. Companies prefer to arrange teleconferencing or video conferencing to reduce air travel cost.
Social Factors	It is observed that over the last 25 years the young population has decreased from 21% to 19%. This means people are more focusing in their careers that contributes to decrease in young population and increase in older population. BA is taking advantage of this situation as older people prefer comfort travelling. This section of customers is ready to pay more money for leisure and entertainment.
Technological Factors	BA has improved its technological efficiency and is able to cut costs on human capital. BA has introduced clocking-in system to control employees hours and also creates new ways to communicate with customers.
Environmental Factors	To achieve company's strategic aim, BA engages in CSR activities, company has spent a considerable amount in identifying

	risks, health, safety and environment. They have contributed to a great extent to reduce carbon emission and noise pollution.
Legal Factors	British Airways faces legal issues due to employees strike and incurs significant losses. Moreover restriction mergers and acquisition are also have significant impact on company's strategy and revenue earning.

### **PESTEL analysis of Titan Airways:**

Political Factors	After 9/11 and other terrorist attacks in developed countries, Titan airways is facing increased security measures, people are more concern about their safety and prefer to choose international flights with airlines that have greater brand image Moreover, like other airlines Titan Airways also is governed by strict regulatory controls.
Economic Factors	After BREXIT, Titan airways is facing economic volatility, moreover company is going through a tough phase due to increase in fuel prices. People around the world are more convenient to travel economically due to tough economic conditions.
Social Factors	The growing demand in holiday packages is due to the changing culture of spending holidays in abroad. Moreover, older people prefer to travel by Titan Airways for comfort and convenience.
Technological Factors	Titan Airways has introduced mobile phone applications to facilitate customers. Moreover, Titan Airways is using social media base to interact with customers.
Environmental Factors	Customers are very conscious about the environmental factors. So Titan Airways develops Corporate Social responsibility program to

	address the issue. Company is using Bio fuel to save energy
Legal Factors	Titan Airways complies with UK rules and regulations and maintain quality standards to ensure security to customers.

## **Conclusion**

In this report the researcher has focussed on the business environment of one public sector and one private sector company namely British Airways and Titan Airway. Business environment of these two companies are analysed in respect of their size, gross annual turnover, market share. This report has also highlighted the organisational structure and objectives related to HR, Finance, Marketing/Sales, and Production functions. The second section of the report has analysed the internal and external factor analysis and macro environment that has an effect on the business operations of British Airways and Titan Airways.

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