A SUMMARY ON CYBERPRENEURSHIP ASSIGNMENT

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15/ENG02/017

TO

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MAY, 2020

1.0. CONCEPT OF BUSINESS AND BUSINESS ENVIRONMENT

1.1 OVERVIEW OF THE CONCEPT OF BUSINESS

The concept of ‘business’ has been defined in different ways by various authors. It has been viewed as an economic system in which goods and services are exchanged for one another for money, on the basis of their perceived worth (Businees Dictionary.com,2010). Whatever is the definition of business, it should be known that a business is any undertakening that deals with the production and distribution of goods and services that satisfy human needs and wants. Business do not exist out of the ‘blues’! they are created by a special kind of labour called the entrepreneur. However, once the business have been created the entrepreneur has to organize all the factors of production to ensure that the business survives.

For business to survive and achieve their set goals and objectives, they have to perform the organic business functions. Those sre the basic functions every business has to perform: production, marketing, finance and personnel. However, care should be taken in not confusing the organic business functions with the managerial functions. Once the entrepreneur has established the business, managers have to run the business. Management is simply setting things done through and with others.

1.2 THE CONCEPT OF ENVIRONMEMT

The concept of ‘environment; literally means the surroundings, internal, intermediate and external objects, influences or circumstances under which someone or something exist (Kazmi 1999). The business environment is simply the surrounding within which a business exists. The environment of the business exhibits the following conditions and characteristics these are; stable condition, simple condition, dynamism, complexity, multifacted, far-reaching impact.

By virtue of the above characteristics it is important for the entrepreneur to monitor the business environment constantly. Thus , it is of fundamental importance for the entrepreneur to monitor both the key macro-encironmental forces (demograpgic/economic, technological, political/legal and social/cultural) and micro-environmental forces (customers, competition, distribution channels and supplies) that will affect their ability to earn profits in the market place (Kotler 1995). These micro-environmental forces and macro-environmental forces are the components of the business environment.

1.3 COMPONENTS OF THE BUSINESS ENVIRONMENT

i. INTERNAL ENVIRONMENTAL FACTORS

The internal environmmental factors refers to those factors over which the entrepreneur has control, at least in the short run; this si why it also called the controllable environment of the business. The internal environment of the business is made up of all those physical and social factors within the boundaries of the business, which impart strength or cause weakness of a strategic nature and are taken directly into consideration in the decision making behaviour of the business.

(A) **ORGANIZATION BEHAVIOUR:** it is the manifestation of the various forces and influences operating in the internal environment of an organization.

a. **STRENGTHS:** are inherent capabilities that gives strategic advantages.

b. **WEAKNESS:** are inherent limitation or constraints, which create strategic disadvantages.
c. **SYNERGY:** it is an idea that the whole is greater than sum of it's parts, i.e 3+3=7
d. **DISTINCTIVE COMPETENCE:** the specific ability possessed by a particular organization that distinguishes it from others.

(B) ORGANIZATIONAL CAPABILITY: this is the inherent capacity or ability of an organization to use it's strrngths, and overcome its weakness in order to exploit opportunities and face threats in its external environment.

ii. INTERMEDIATE ENVIRONMENTAL FACTORS

Intermediate determinants of entrepreneurship ideally represent issues or factors in the borderlines between strictly internal and external factors affecting entrepreneurship. They also include various support systems, both private and public e.g legal firms and public relations agancies. Some of such support include;

(a) **THE NATIONAL DIRECTORATE OF EMPLOYMENT (NDE):** This was established by the Federal Government of Nigeria in November 1986. It was designed to work out strategies for dealing with mass unemployment in the country especially among the school leavers and college graduates. NDE executes its programmes by producing financial support and training and deveslopment for existing entrepreneurs and new entrants into entrepreneurship (Ogundele 2007).

iii. EXTERNAL ENVIRONMENTAL FACTORS

The external environment factors refers to these factors over which the entrepreneur has no control biut have tremedous impact on the survival of the business; this is why it is also called the uncontrollable environment of the business. The major external environmental factors are; demographiic factors, political/legal factors, technological factors, natural environment, socio-cultural factors, economic factors, competitive environment, and other factors.

1.4 AN OVERVIEW OF SWOT ANALYSIS

SWOT entails the objective analysis of a business's Strengths and Weakness and it's Opportunities and Threats. In order to identify its strengths, weakness, opportunies and threats, an organization has to carry out internal and external evaluation and also opportunities/threats analysis and strength/weakness analysis.

(A) **STRENGTH/WEAKNESS ANALYSIS:** This involves scanning the internal environment of the business in order to identify its strengths and weakness. The entrepreneur needs to evaluate the strengths and weakness of the business periodically. Also, the entrepreneur can assess the internal environment of the business by initially looking at the internal factors in terms of the 5s namely; skills, strategy, staff, structures and shared values.

(B) **OPPORTUNITIES/THREAT ANALYSIS:** this involves scanning the external environment of the business in order to identify the opprtunities and threats. The entrepreneur can assess the external environment of the business by critically looking at the opportunities and threat emanating from changes in the major external environmental factors.

2.0 FORMS OF BUSINESS OWNERSHIP AND LEGAL IMPLICATIONS

In this aspect you will agree that there different forms of business's operates around you. Some are verry small, run by a single person without any assistance, others engage few other people. Consideration for the choice of the form of business organization entails, selecting a form of business ownership is a landmark step in the creation of a venture. There is no single best form of business ownership. The following according to Scarborough et al (2009), are relevant issues the entrepreneur sholud consider in the evaluation process; tax condiration, liability exposure, start-up and future capital requirement, managemennt ability, business goals, management succession plans, and cost of formation.

2.1 FORMS OF BUSINESS OWNERSHIP

Whether small or large, every business fits one of three categories of legal ownership, sole proprietorship, partnership, and corporations.

(a) **SOLE-PROPRIETORSHIP:** The sole-propreitorship is the simplest and most popular form of ownership. This form of business ownership is designed for a business owned and managed by one individual. The sole proprietor is the only owner and ultimate decision maker for the business. The sole proprietorship has no legal distinction between the sole proprietor status as an individual and his or her status as a business owner.

(b) **PARTNERSHIP:** A partnership is a legal form of business with two or more owners. Partners legally share a business assets, liabilities, and profits according to the terms of a partnership agreement. The law does not require a written partnership agreement, also known as the articles of partnership, but it is wise to work with an attorney to develop an agreement that documents the status, rights and responsibilities of each partner.

(c) **LIMITED LIABILITY COMPANIES:** The incorporation of companies differs from one country to the other. Each country has a body of laws that guide the registration and operations of companies. In Nigeria, the Companies and Allied Matter Act (CAMA) of 1990 is the major law that guides formation and registration of companies in Nigeria.

(d) **PRIVATE LIABILITY COMPANIES:** The private liability company can be formed by minimum of two persons and maximum of fifty persons excluding employees of the company both past and present (according to Section 22 Subsection 3). The total number of members of a private company shall not exceed fifty, not including persons who are bonafide in the employment of the company or were while in that employment and have continued after the determination of that employment to be, members of the company.

(e) **CO-ORPORATIVE:** A form of business ownership which involves a collective ownership of a production, storage, transportation or marketing organisation is what is referred to as a co-operative. Some individuals dislike the notions of having owners, managers, workers and buyers as separate parties with separate goals for business organisation. They envision a situation whereby people will co-operate with one another as an association and share the wealth more evenly. This is what necessitates the form of business ownership referred to as cooperatives.

2.2 LEGAL REQUIREMENTS FOR REGISTRATION OF COMPANIES

i. Memorandum of Association;
ii. Articles of Association;
iii. Notice of the address of the registered office and head office;
iv. Statement of the lists and particulars of the first directors of the company;
v. Statutory declaration of compliance with the provisions of the acts
vi. Any other document that may be required by the Corporate Affairs Commission (CAC), e.g. tax certificate of the directors, etc.

3.0 TEAMWORK, GROUP DYNAMIC AND ENTREPRENEURSHIP

3.1 TEAM

You will agree with me that, there is need for people to work together in any form of business whether sole proprietorship or Limited Liability Company.

As defined by Daft (1997), a team is a unit of two or more people who interact and coordinate their work to accomplish a specific goal. A team could also be seen as a group of people with some common identity. Each of whom possesses particular aptitudes, knowledge and skills. Members of an effective team usually possess complementary skills, to achieve common goal. Team formation or process is made up of five stages namely: forming, stormy, norming, performing, adjusting. For a team to be effective, it must possess certain characteristics, where absent or deficiently present, will naturally result in poor team performance these characteristics are; shared a vision or goal, strong team identity competent team members, strong commitment to the team, clearly defined roles and resonsibilities, mutual trust, small team size, high level of empowerment, effective communication, indepedence among team members.

There are some potential benefits of team and potential problems of team. The potential benefits are; increased level of effort, satisfaction of members, expanded job knowledge, organizational flexibility etc. while the potential problems of teams includes; power realignment, free riding and coordinating cost.

3.2 GROUP

A group is defined as two or more persons who are interacting with one another in such a manner that each person influences the other(s). A group is a collection of people who interact with one another regularly over a period of time and see themselves to be mutually dependent with respect to the attainment of one or more goals.

There are strategies in group development as well as factors affecting group performance and decision making in group. Strategies in group development include; forming stage, storming stage, initial integration state and total integration. Factors affecting group performance and decision making in group include; group size, group cohesiveness, group composition and group norms.

Comparison between individual and group decision making include the following: the presence of others increases the motivational level of individual performance, group usually provide more and better solutions to problems than individual working above- accuracy and quality of judgement, group learn faster than individuals especially in a classroom situation, more time is used by group in decision making than by individual.

4.0 THE ROLES VISION, MISSION AND OBJECTIVES IN ENTREPRENEURSHIP DEVELOPMENT

4.1 VISSION

Sometimes you can either think positively or negatively. When you think negatively, you have problems of changing your future positively. On the other hand, if you think positively you can make impossibilities to become possibilities.

Vision evokes pictures in the mind; it suggests a future orientation. Vision is vital to human existence. Vision is in the realm of imagination of a favourable future. Vision is best described by the visioner.

Components of Vision according to Collins & Porras, (1996) can be broadly classified into two, namely: Core Ideology Envisioned future.

4.2 MISSION

Mission on the other hand is what an organization is and the reason for its existence. A meaningful mission must specifically state the fundamental and unique reason for its being and how it is different from other corporate organizations. Characteristics of Mission Statement Kazim (2004) identified seven characteristics of effective mission statement as follows: It should be visible, It should be realistic and achievable, it should be precise, it should not be too broad to make it meaningless giving no direction. It should be clear: . It should be motivating, it should be distinctive, it should indicate major components of strategy, it should indicate how objectives are to be accomplished.

5.0 THE ROLES OF GOVERNMENT AND BUSINESS REGULATION AGENCIES IN NIGERIA

You need to appreciate the fact that Entrepreneurial enterprises in market economies are the engine of economic development. SMEs contribute to sustainable growth and employment generation in a significant manner owing to their private ownership, entrepreneurial spirit, their flexibility and adaptability as well as their potential to react to challenges and changing environments. Every surviving and successful business means new jobs and growth of GDP. There is need for government to create an enabling environment for enterprises to strive to contribute to the increased welfare of the society since government alone cannot meet the aspirations of the large number of the population.

5.1 BUSINESS REGULATORY/ LEGAL ROLES

In every society, social and business activities are guided by certain laid down principles. Such principles emphasis acceptable manners of conduct among the community members. There are three levels of regulations in Nigeria namely: The Federal Legislation acts, The State legislation laws, Local Government by laws.

Ensuring businesses comply with government laws. Every game has rules and regulations with a referee to ensure compliance. Except every player plays according to the rules there will be chaos. The governments and their various agents serve as referees to ensure all operators comply with the rules such as:- Controlling and monitoring of quality of product through different agencies, free and fair competition among business operators, controlling the disposal of hazardous waste, licensing of organization for production of consumable items.

5.2 GOVERNMENT AND BUSINESS REGULATORY AGENCIES/BODIES

There are many aspects of regulatory and monitoring roles of government. In order to effectively carry out these roles, government has established different agencies/bodies with the appropriate legislative backings to ensure business operations are conducted in a friendly business environment. Some of the agencies and their functions include:-

(a) THE CORPORATE AFFAIRS COMMISSION (CAC): The Corporate Affairs Commission was established by the Companies and Allied Matters Act (CAMA) 1990 as a corporate body with perpetual succession and a common seal; it is capable of suing and being sued in its corporate name. The Act that established the Commission specified the following functions, the regulation and supervision of the formation, incorporation, registration, management, and winding up of companies, Perform such other functions as may be specified by any act or enactment, undertake such activities as one necessary or expedient for giving full effect to the provisions of the Act (CAMA, 1990).

(b) NATIONAL AGENCY FOR FOOD AND DRUG ADMINISTRATION AND CONTROL (NAFDAC): NAFDAC was established under decree No 15 of 1993.The decree vested in it dual functions. To see to the establishment of food beverages and cream industry As well as regulating and controlling the importation, manufacturing, distribution, sales and use of processed food, drugs, cosmetics, medical devices, bottled water, chemicals and advertisements relating to food, beverages and cream products. The functions of the council include: to advise government on standards, standard specifications, control and methodology, awarding of certificate marks by the council to the manufacturers whose products meet Council's established standards, sealing up and confiscating of assets of organizations that fail to live up to the standards set.

(c) THE INDEPENDENT CORRUPT PRACTICES AND OTHER RELATED OFFENCES COMMISSION (ICPC): The Independent Corrupt Practices and Other Related Offences Commission was established as a corporate body by the Federal Government of Nigeria as a legislative initiative to combat corruption which has become endemic in the national life. The ICPC mandate was to prohibit and prescribe punishment for corrupt practices and other related offences. Section 6 (a-f) of the ICPC Act 2000 sets out the duties of the Commission as paraphrased in the following: to receive and investigate complaints from members of the public on allegations of corrupt practices and in appropriate cases, prosecute the offenders, to examine the practices, systems and procedures of public bodies and where such systems aid corruption, to direct and supervise their review, to educate the public on and against bribery, corruption and related offences. to enlist and foster public support in combating corruption.

(d) THE ECONOMIC AND FINANCIAL CRIMES COMMISSION (EFCC): The EFCC was established by Act of parliament in 2004 and the Commission was empowered by the Act to carry out the following function which can be found in part two of the Act. The Commission according to the Act shall be responsible for: the enforcement and the due administration of the provisions of this Act; 78, the investigation of all financial crimes including advance fee fraud, money laundering, counterfeiting, illegal charge transfers, futures market fraud, fraudulent encashment of negotiable instruments, computer credit card fraud, contract scam, etc., The adoption of measures to eradicate the Commission of economic and financial crimes.

(e) OTHER REGULATORY AGENCIES

Other agencies that are involved in regulatory and supportive roles are isted below

i. Governing Council of National Office of Industrial Property
ii. Productivity Prices and Income Board
iii. The Central Bank of Nigeria (CBN)
iv. Nigerian Stock Exchange (NSE)
v. Securities and Exchange Commission (SEC)
vi. National Insurance Corporation (NICON)
vii. Raw Materials Research and Development Council (RMRDC)
viii. Nigerian Deposit Insurance Corporation (NDIC)
ix. Nigerian Export Credit Guarantee Insurance Corporation
x. Industrial Development Coordination and many others.

PROMOTIONAL/SUPPORTIVE ROLES OF GOVERNMENT

Without mincing words, in defining the role of government supporting entrepreneurship and SMEs, it is obvious that apart from designing a comprehensive entrepreneurship and SMEs strategy, the development of national SME support institutions and networks is one of the key conditions for success. The following are typical ways by which government promotes and supports entrepreneur: tax holidays, financial incentive, infrastructural development, subsidies, credit facilities through government financial agencies, stability of system of laws and justice, preparation and dissemination of weather forecasts etc.

The council has the following objectives:

i. To promote the development and diversification of Nigeria's export trade;
ii. To assist in promoting the development of export-related industries in Nigeria;
iii. To spearhead the creation of appropriate export incentives; and,
iv. To actively articulate and promote the implementation of export policies of the Nigerian government.

The Objectives of government Regulation

i. To ensure the development of healthy balance between private and public ownership
ii. To make use of equal opportunity for cooperation
iii. To ensure utilization of the existing capacity and the creation of economy of scale
iv. To avoid the creation of natural monopolies
v. To promote a more equitable distribution of income and a wider ownership of business enterprises within and among nationals
vi. To develop data base or data bank in business activity