OLATUNJI TEMITOPE OLATUNDE

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A **business** 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. A business is also conceived as a legally recognized organization. It is also referred to as: enterprise, business enterprise, commercial enterprise, company, firm, profession or trade operated for the purpose of earning a profit by providing goods or services, or both to consumers, businesses and governmental entities. A business is any undertaking that deals with the production and distribution of goods and services that satisfy human needs and wants.

A business is created by an entrepreneur. Once the businesses have been created the entrepreneur has to organize all the factors of production to ensure that the business survives. The purpose for which a business is established varies and as a result we have different types of businesses.

We can have a business that involves making profit, it is called a profit-making business, otherwise it is called a non-profit making business. Businesses could also be classified as legal, that is, following the established rules and laws of the land or as illegal businesses that don't follow the rules and law. Legal businesses are also called wholesome, while illegal businesses are called unwholesome.

For businesses to survive and achieve their set goals and objectives, they have to perform the organic business functions. These are the basic functions every business has to perform: production, marketing, finance and personnel. However, it is important to note that the organic business functions differ from te managerial functions. Once the entrepreneur has established the business, managers have to be present to run the business.

**Management** is simply getting things done through and with others. In order to get things done in the business/organization, managers among other things have to perform the managerial functions which include: Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting.

**Environment** literally means the surroundings, internal, intermediate and external objects, influences or circumstances under which someone or something exists. The environment within which something exists exhibits certain characteristics which have been identified to be: complexity, dynamism, multifaceted and far-reaching impact.

In terms of business, the business environment is simply the surroundings within which a business exists. The environment of the business exhibits the following conditions and characteristics. These are:

Stable Condition: This environment is highly predictable, thus permitting a great deal of standardization (work process, skills and output) to take place within the organization.

Simple Condition: This environment is one where knowledge can be broken down into easily comprehended components.

Dynamism: The business environment is not static. It is dynamic and as such changes continuously. This is because of the interactions of the various factors that make up the business environment.

Complexity: The business environment is not simple; it is complex by virtue of the various components that comprise it and the interactions and interrelationships among these factors.

Multifaceted: The business environment is many-sided. It can be viewed from many angles by the parties involved. Hence, an occurrence that is viewed as strength to an organization may be perceived as a weakness by another.

Far-reaching impact: The business environment can be conceived as a system, specifically an open system made up of different components that interact and interrelate with one another. Hence, once there is a problem or development with one aspect/sector, it could have far-reacing impact on the other aspects/sectors.

**Components of the Business Environment**

**Internal Environmental Factors**: The internal environmental factors refer to those factors over which the entrepreneur has control, at least in the short run; this is why it is also called the controllable environment of the business. The internal environment of the business is made up of all those physical and socials factors within the boundaries of the business, which impart strengths or cause weaknesses of a strategic nature and are taken directly into consideration in the decision-making behavior of the business. A successful entrepreneur will find ways of overcoming the weaknesses and convert them into strengths. The internal environment of the business is made up of micro-environmental factors such as: organizational goals and objectives, specific technologies utilized by component units of the organization, the size, types and quality of personnel, its administrative units, and the nature of the organization’s product/service.

* Organizational behaviour is the manifestation of the various forces and influences operating in the internal environment of an organization.
* Strengths are inherent capabilities that give strategic advantage.
* Weaknesses are inherent limitations or constraints, which create strategic disadvantage.
* Synergy is an idea that the whole is greater than the sum of its parts.
* Distinctive competence is the specific ability possessed by a particular organization that distinguishes it from others.
* Organizational capability is the inherent capacity or ability of an organization to use its strengths, and overcome its weaknesses in order to exploit opportunities and face threats in its external environment.

**Intermediate Environmental Factors**: Intermediate determinants of entrepreneurship ideally represent issues or factors in the borderlines between strictly internal and external factors affecting entrepreneurship. Generally, they include the customers and the suppliers who are the links between the organization and the purely external environmental factors. They also include various support systems, both private and public e.g. legal firms and public relations agencies. Some of such support systems include:

* The National Directorate of Employment (NDE): It was designed to work out strategies for dealing with mass unemployment in the country especially among the school leavers and college graduates. The mandate given to NDE is executed within the framework of four core programmes. These are:
* The Small-Scale Industries and Graduate Employment and Vocational Skills Development.
* Support for Agricultural Programmes.
* National Youth Employment and Vocational Skills Development and
* Special Public Works Programmes. NDE executes its programmes by providing financial support and training and development for existing entrepreneurs and new entrants into entrepreneurship.

Some Financial Support Systems: These include:

* Small Industries Credit Committee.
* National Economic Reconstruction Fund.
* Small and Medium Enterprises Loans Scheme.
* Micro Finance Banks.
* Nigerian Industrial Development Bank.
* Extension Services Units

Technical and Technological Related Support Systems: These include:

* The Federal Institute of Industrial Research, Oshodi (FIRO).
* Project Development Institute (PRODA) in Enugu.
* Rural Agro-Industrial Development Council (RMRDC) etc.

These were established to provide technical and technology related support for Nigerian entrepreneurs. These support systems as intermediate factor have closer links with the entrepreneurs to facilitate their operations in various ways.

**External Environmental Factors**: The external environmental factors refer to those factors over which the entrepreneur has no control but have tremendous impact on the survival of the business; this is why it is also called the uncontrollable environment of the business. Within the external environment of the business are all the factors which provide opportunities or pose threats to it. Opportunities are favorable conditions in the business’ environment, which enable it to consolidate and strengthen its position. They are the likely benefits to the business resulting from changes in the external environment while threats are unfavorable conditions in the business’ environment, which create a risk for, or cause damage to, the business; they are the possible pitfalls or dangers resulting from changes in the external environment.

The major external environmental factors are:

* Demographic factors: These include the market i.e. consumer populations. It deals with their composition in terms of sex, age, income, marital status, educational levels etc.
* Political/Legal Factors: this is made up of laws, government agencies and pressure groups that affect the business.
* Technological Factors: This deals with knowledge of how to accomplish tasks and goals, and innovations.
* Natural Environment: This deals with all the gifts of nature or natural resources of the nation that serve as input for the business.
* Socio-Cultural Factors: These deal with the people, their norms, values and beliefs as they affect the business.
* Economic Factors: These deal with the Macro level factors relating to means of production and wealth distribution. It also includes the forces of supply and demand, buying power, willingness to spend, consumer expenditure levels, and the intensity of competitive behavior.
* Competitive Environment: These are those firms that market products that are similar to, or can be substituted for, a business’ product(s) in the same geographical area. The four general types of competitive structure are monopoly, oligopoly, monopolistic competition, and perfect competition.

**SWOT Analysis**

SWOT entails the objective analysis of a business’s Strengths and Weaknesses and its Opportunities and Threats. In order to identify its strengths, weaknesses, opportunities and threats, an organization has to carry out internal and external evaluation and also opportunities/threats analysis and strengths/weaknesses analysis.

**Strengths/Weaknesses Analysis**: This involves scanning the internal environment of the business in order to identify its strengths and weaknesses. The entrepreneur needs to evaluate the strengths and weaknesses of the business periodically. Also, the entrepreneur can assess the internal environment of the business by critically looking at the internal factors in terms of the 5s, namely: Skills, Strategy, Staff, Structure, Systems and Shared Values.

**Opportunities and Threats Analysis**: This involves scanning the external environment of the business in order to identify the Opportunities and Threats. The entrepreneur can assess the external environment of the business by critically looking at the opportunities and threats emanating from changes in the major external environmental factors. Positive seasonal influences are an opportunity in the natural environment; opportunities in the other environment could be change in consumers taste in favour of your product and Intermediaries’ cooperation. Examples of threats in some external environmental factors can come from direct competitors, indirect competitors, consumers, substitute products or services and suppliers, customers brand switching and innovations by competitors. The entrepreneur can classify the overall attractiveness of a business once he/she has conducted a thorough opportunities and threats analysis. To this effect, threats could be classified according to their seriousness and probability of occurrence. To evaluate its opportunities, the business needs to operate a reliable Management Information System (MIS). The information obtained will enable the entrepreneur know if the business is ideal.

**Consideration for the choice of the form of Business organization**

Business is a profit-seeking enterprise established for the purpose of creating goods and services that meet the needs of mankind. Business plays a major role in the lives of every individual as well as a nation. Business activities are undertaken to improve the financial and the material welfare of the participants

Selecting a form of business ownership is a landmark step in the creation of a venture. Most entrepreneurs however are not trained in the finer points of business law. Consequently, it is imperative that an entrepreneur carefully searches for the types of legal ownership and then consults an attorney (lawyer), and an accountant or both to verify whether the choice addresses their specific needs.

Although an entrepreneur may change the form of ownership later, this change can be expensive, time consuming, and complicated. There is no single best form of business ownership. Each form has its own unique set of advantages and disadvantages.

These are relevant issues the entrepreneur should consider in the evaluation process:

* Tax consideration
* Liability exposure
* Start-up and future capital requirements
* Management ability
* Business goals
* Management succession plans
* Cost of formation

**Forms of Business Ownership**

**Sole Proprietorship**

The sole proprietorship 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. Sole proprietorship is the easiest kind of business for you to explore in your quest for an interesting career. The sole proprietor is the only owner and ultimate decision maker for the business.

Advantages of proprietorship:

1. Least cost of business ownership to establish
2. Minimum or no special legal restriction
3. Ownership of all profit
4. No special taxes since business income and proprietors’ income are taxed as one.
5. Maximum incentive to succeed
6. Privacy
7. Flexibility of operation
8. Easy to discontinue

Disadvantages of proprietorship:

1. Unlimited personal liability
2. Limited access to capital for expansion
3. Limited skills and abilities
4. Feelings of isolation /overwhelming time commitment
5. Few fringe benefits
6. Limited growth
7. Lack of continuity for the business that has a limited life span.

**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. The partnership agreement is a document that states all of the terms of operating the partnership for the protection of each partner involved.

Types of Partnership on the basis of liability of partners

* General Partnership
* Limited Partnership
* Master Limited Partnership (MLP)
* Limited Liability Partnership (LLP)

Types of partners on the basis of the involvement in partnership:

* General Partner
* Limited Partner
* Silent Partners
* Secret Partners
* Sleeping Partners
* Nominal Partners

Advantages of Partnership: The following are the advantages of Partnership

* Easy to establish
* More financial resources
* Shared management and pooled /complementary skills and knowledge
* Division of profits
* Minimum governmental regulation/limited legal restrictions
* Flexibility
* Freedom from double taxation
* Secrecy
* Longer survival

Disadvantages of Partnership: The following are the disadvantages of Partnership

* Unlimited liability
* Division of profits
* Disagreement among partners especially with regard to authority and control
* Difficult to terminate because partners are bound by the law of agency
* Restrictions on transfer of ownership
* Lack of continuity

**Dissolution and Termination of a Partnership**

Partners expect their business relationships are going to last forever. However, most do not. There are possibilities that problems may occur when the entrepreneur realizes he or she is not in charge of his or her own company. Even when partnerships work, there are always fears that the partners will develop different business goals. Partners may dissolve or terminate the partnership. Thus, dissolution occurs when a general partner ceases to be associated with the business. This may be as a result of:

* Expiration of a time period or completion of the project undertaken as delineated in the partnership agreement.
* Expressed wish of any general partner to cease operation.
* Expulsion of a partner under the provisions of the agreement.
* Withdrawal, retirement, insanity, or death of a general partner (except when the partnership agreement provides a method of continuation).
* Bankruptcy of the partnership or of any general partner.
* Admission of a new partner resulting in the dissolution of the old partnership and establishment of a new partnership.
* A judicial decree that a general partner is insane or permanently incapacitated, making performance or responsibility under the partnership agreement impossible.
* Mounting losses that make it unpractical for the business to continue.

**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.

Types of Companies: three types of companies can be identified

1. Limited by shares
2. Limited by guarantee
3. An unlimited company.

A company is said to be limited by shares, if the liability of its members limited by the memorandum to the amount, if any unpaid on the shares respectively held by them.

A company is said to be limited by guarantee if the memorandum to such amount as the members may respectively thereby undertake to contribute to the assets of the company in the event of its being wound up.

A company is said to be unlimited when the members do not have any limit on the liability of its members.

Advantages of Limited Liability Companies

1. It has a legal entity
2. Limited liability of shareholders
3. Ability to attract capital
4. Ability to continue indefinitely
5. Transferable ownership
6. Separation of ownership from management
7. The death of a shareholder does not mean the end of the company
8. Accessibility to large capital which enhance growth.

Disadvantages of limited liability companies

1. When company becomes very large, there is no personal relationship between the customers and the owners
2. Official red tapism may delay decision making
3. Chain of command becomes long which lead to communication breakdown.
4. Cost and time involved in the incorporation process
5. Double taxation
6. Charter restrictions
7. Extensive legal requirement and restrictions
8. Potential for diminished management incentives
9. Potential loss of control by the owners
10. Difficulty of termination
11. Possible conflict with share stockholders and board of directors

**Co-operative**

A form of business ownership which involves a collective ownership of a production, storage, transportation or marketing organization is what is referred to as a co-operative.

**Types of Co-operative**

1. Consumer/producer co-operative
2. Workers co-operative
3. Finance co-operatives

**Team**

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.

**Team Building**

Team building, as earlier noted, is the process of creating team features in a group in order to make them more effective.

Team formation or process is made up of five stages namely:

1. Forming
2. Stormy
3. Norming
4. Performing
5. Adjusting

**Characteristics of an Effective and Efficient Team**

1. Shared vision or goal
2. Strong team identity
3. Competent team members
4. Strong commitment to the team
5. Clearly defined roles and responsibilities
6. Mutual trust
7. Small team size
8. High levels of empowerment
9. Effective communication
10. Independence among team members

**The Roles of Vision, Mission and Objectives in Entrepreneurship Development**

Vision can also be defined as the mental images or picture of a preferred future either for the individual or for an organization; such future is in the realm of imagination which the Visioneer must bring into reality with the support of others.

**Components of vision**: it can be broadly classified into two, namely:

1. Core Idealogy
2. Envisioned future

**Core Idealogy**: is described as enduring character of an organization-i.e. a consistent identity that transcends product or market life cycle, technological breakthroughs and the likes. It is what the organization stands for, the very purpose for which the organization is created. The core ideology can be further sub-divided into two namely: core value (core tenet of the organization), core purpose (the reason for the organization’s existence).

**Envisioned future**: It is creative, looking to a future of greatness; it keeps the organization as well as individual motivated even if the founders are no longer in existence.

**Importance of Vision and key elements that make leaders with vision succeed**

The distinguishing function of a leader is to develop a clear and compelling picture of the future and to secure commitment to that ideal.

**Key elements that make a Leader with vision to succeed**

* Create a vision and strategy for the organization
* Trust and support others
* Open yourself for criticism and be ready to adjust

Visioning Process

1. Initiate and provide constant vigilance
2. Set high goals but be realistic
3. Seek significant early involvement by other members of the organization
4. Encourage widespread review and comments
5. Keep communications flowing
6. Allow time for the process to work
7. Demonstrate commitment, follow through
8. Maintain harmony of sub-units

Ways of keeping Vision alive

* Honour and live the vision as the organization’s constitution
* Encourage new members’ understanding and commitment through early introduction
* Make it constantly visible
* Create integrity through alignment and congruency, that is, decision making patterns, personnel policies etc must be in line with the vision
* Review the vision periodically, revising as appropriate to reflect changing conditions

**Mission Statement**

Mission 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. Mission gives specific direction and focus to the organization

In defining the mission statement, the organization must take into account five key elements namely:

1. History of the organization
2. The current performance of the organization
3. The environment where it operates
4. The resources available and
5. Distinctive competences

**Characteristics of Mission Statement**

* It should be visible
* It should be precise
* It should be clear
* It should be motivating
* It should be distinctive
* It should indicate major components of strategy which are long-range, decisions, plans, mission, goals, objectives, options, resources allocation, resource utilization, process and advantages improvement
* It should indicate how objectives are to be accomplished in terms of concrete specific targets defined for mission derived goals

**The Roles of Government and Business Regulatory Agencies In Nigeria**

**Business Regulatory/Legal Roles**

In every society, social and business activities are guided by certain laid down principles. The regulatory/legal environment prescribes acceptable principles and guides in business relationship such that each party understands the requirement of the business relationship and that each party will conduct business activities in accordance with the laws of the land. There are three levels of regulations in Nigeria namely:

1. The Federal Legislation acts
2. The State legislation laws
3. Local Government by laws

**Government and Business Regulatory Agencies/Bodies**

1. The Corporate Affairs Commission
2. National Agency for Food and Drug Administration and Control (NAFDAC)
3. The Standard Council
4. The Independent Corrupt Practices and Other Related Offences Commission (ICPC)
5. The Economic and Financial Crimes Commission (EFCC)