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* Study session 3: Concept of Business and Business Environment
* Introduction
* 3.1 An Overview of the Concept of Business The concept businesses have 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 (BusinessDictionary.com, 2010).
* 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, care should be taken in not
* 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 are popularly known with the acronym, POSDCORB. POSDCORB means: Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting.
* The environment within which something exists exhibits certain characteristics which have been identified by Kazmi (1999) to be: complexity, dynamism, multifaceted and far-reaching impact. These are apart from the simple and stable environmental conditions.
* 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:
* Dynamism – the environment should be non-static that is continuous changes due to interactions of the **various factors**
* Simple condition – knowledge can be broken into easily comprehended components
* Stable – highly predictable permitting a great deal of standardized environmental conditions
* Far reaching impact – it should have enormous impact on the organization at large
* Multifaceted – many sides should be able to be viewed from many angles by parties involved
* Why is business environment important to an entrepreneur?  It is important because it determines the success or otherwise of their venture. Also it is within the environment discover opportunities.
* Components of the Business Environment – it should be noted that the business environment is made up of the internal and the external environment and the main macro-environmental forces/factors found in the external environment and micro-environmental forces/factors/ in the internal environment of the business. 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 major external environmental factors are: Demographic factors Technological Factors Socio-Cultural Factors 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
* 3.4 An Overview of 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.
* The Internal Evaluation starts with: The identification of the profit contribution of each area, followed by allocation of resource, determination of risks involved, variety reduction, realistic allocation of costs and the assessment of company resources. External evaluation starts with the determination of market stranding, determination of competitors’ strengths and weaknesses, assessment of the vulnerability of the business’ main products
* Strengths/Weaknesses Analysis This involves scanning the internal environment of the business in order to identify its strengths and weaknesses
* Opportunities and Threats Analysis This involves scanning the external environment of the business in order to identify the Opportunities and Threats
* The entrepreneur can classify the overall attractiveness of a business once he/she has conducted a thorough opportunities and threats analysis.
* Module 1
* Study session 4: Forms of Business Ownership and Legal Implications
* Consideration for the choice of the form of Business Organization You have to appreciate the fact that there are various forms of business organizations that exist in the environment.
* 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. The following, according to Scarborough et al (2009), are relevant issues the entrepreneur should consider in the evaluation process:
* Tax consideration Liability, exposure Start–up and future capital requirements Business Goals Management succession plans. Cost of formation
* Forms of Business Ownership Whether small or large, every business fits one of three categories of legal ownership, sole proprietorships, partnership, and corporations (Brone and Kurtx, 2009).
* A Partnership can be regarded as an improvement on sole proprietorship form of business organization, the minimum number of people that can form a partnership is two, while the maximum is twenty.
* Types of partners on the basis of the involvement in partnership: An entrepreneur interested in being involved in partnership form of business should endeavor to understand the types of partners that he/she can choose to be in this form of business.
* 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
* 4.3 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.
* 4.3.1 Formation of Company and Capacity of Individual According to Section 18 of CAMA 1990, two or more persons may form and incorporate a company by complying within requirements of the act
* 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.
* 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
* Association. Wherever there is a conflict between the provisions of the two, that of Memorandum of Association takes pre-eminence prevails. Contents of Memorandum of Association: Section 27 of CAMA 1990 specified the content of the Memorandum of Association
* Disadvantages of limited liability companies a. When company becomes very large, there is no personal relationship between the customers and the owners; b. Official red tapism may delay decision making; c. Chain of command becomes long which lead to communication breakdown. d. Cost and time involved in the incorporation process

e. Double taxation f. Charter restrictions g. Extensive legal requirement and restrictions h. Potential for diminished management incentives i. Potential loss of control by the owners j. Difficulty of termination k. Possible conflict with share stockholders and board of directors

* How is private company different from public company?  Private company has a maximum number of 50 persons, shares are not subscribed to or transferable by the public and the name must end with “limited” while public company do not have any maximum number of subscribers, shares are publicly subscribed to and transferable through the stock exchange market.
* 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 Consumer/producer co-operative Workers Co-operative Finance Co-operatives
* MODULE 1
* team: definition and typology 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.
* Roles and Norms: All teams develop set roles and norms over time. Norms are rules that govern the behavioral of team members while roles define the part that team members play in the team. The use of explicitly defined roles enables the team to cope effectively with the requirement of task.
* Characteristics of an Effective and Efficient Team for a team to be effective, it must possess certain characteristics
* The following are best practices for fostering high performance in teams:  As a leader, act as a model for expected behaviors  Find ways to create early success  Continually introduce new facts
* information  Make sure team members spend lots of time together  Give positive feedback and reward high performance  Communicate high performance standard  Set the tone in 1st meeting  Create sense of urgency  Ensure members have right skills  Establish clear rules and team behavior
* How will you describe an effective and efficient team?  An effective and efficient team must possess strong team identity, have competent team members, have clearly defined roles and responsibility, strong commitment to the team, have mutual trust, high level of empowerment and effective communication skills.
* Benefits of Teamwork and potential problems in deciding whether to use teams to perform specific tasks, entrepreneurs must consider both the benefit and cost.
* Types of Groups 1) Primary group: they are those characterized by intimate, face-to-face association and cooperation, they are primary chiefly and fundamentally because they form the social nature and ideals of the individual. Small group and primary group are similar but can be differentiated as follows
* 4) Informal Groups: Emerge unofficially and without being designated as parts of the Organization. They are often found as subgroups or cliques within formal groups. 5) Psychological Groups: Groups in which the members truly interact with one another, perceive themselves to be part of the group; share common sense of group purpose; and are psychologically aware of every other member’s needs and potential resources and contributions. 6) Other types of Groups Membership group -: are those to which the individual actually belongs. Reference group -: is one with which a person is identified or to which he would like to belong The in-group represents a clustering of individuals holding prevailing values in society or at least, having a dominant place in social functioning. The out-groups-are the conglomerates, looked upon as subordinate or marginal in the culture. A command group- It consists of superior and immediate subordinates. The membership and structure of command groups are formally determined and are represented on the organization chart. Task force group is formally designed to work on specific project or job. The interaction and structure are formally designed to accomplish the task.
* Advantages of group to organization  Accomplishment of task that cannot be done individually  Bringing a number of talents to bear on complex and difficult task  Provide a vehicle for decision making that permits multiple and conflicting views to be aired and considered  Provide an efficient means for organizational control of employees  It serves as critical liaison or coordinating function among served departments
* Strategies in Group Development (i) Forming Stage – Consideration of acceptance behavior, consideration of benefit to be gained, the contribution expected the purpose of the group.
* (ii) Storming Stage – Detailed involvement of group members further clarified, attention directed towards obstacles standing against group conflicts also arises as individual try to impose their preference on the group. (iii) Initial Integration State – The group begins to come together as a coordinated unit. Members, develop a preliminary sense of closeness, and want to protect the group from disintegration. (iv) Total integration – sees the emergence of a mature organized and well-functioning group Complex tasks are dealt with and membership disagreements are handled creatively
* Factors affecting group performance and decision making in group  Group size  Group Cohesiveness  Group Composition  Group Norms Group Size -: relates to the number of persons that make up the group. Too large group may not allow for effectiveness participation of all group members Group Cohesiveness -: this relates to the oneness of the group members. Highly cohesive group tend to be more energetic in working on group activities, less likely to be absent and happy about performance.
* Comparison between individual and group decision making 1) The presence of others increases the motivational level of individual performance. 2) Group usually provide more and better solutions to problems than individual working above- accuracy and quality of judgement. 3) Group learn faster than individuals especially in a classroom situation. 4) More time is used by group in decision making than by individual
* 5) Decisions made after group discussion are riskier than decisions made by the average individual prior to group discussion.
* Summary for module 1 study session 5 You have learnt in this study session the definition of team as basically two or more people brought together with the aim of complimenting one another in achieving specific objectives. It implies that they have to possess complimentary skills to provide better solution. The method of team building was also discussed. The advantages and potential problems of team were listed. Also you have been exposed to what is usually called group process or group dynamics. You will recall that group has been defined as consisting of two or more people. Theories of group and types of group formation have been discussed. Finally, the functions of group to both the individual and organization have been highlighted
* MODULE 2
* Study session 1: The Roles of Vision, Mission and Objectives In Entrepreneurship Development
* Defining vision and its components Vision evokes pictures in the mind; it suggests a future orientation. Vision is vital to human existence.
* Components of vision Components of Vision according to Collins & Porras, (1996) can be broadly classified into two, namely: Core Ideology Envisioned Future Core ideology 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. reality with the support of others. Component of vision include core ideology and envision future.
* 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. In addition to vision, the appropriate combinations of the following factors indicated in figure 1 below will bring about an effective organization:
* Take personal responsibility for initiating change: The entrepreneur must take personal responsibility to initiate the necessary change. People resist change; most people see the negative effect of the change, but as an entrepreneur, one must stay focused and take charge.
* Evaluation of vision – The following are some of the evaluation criteria: -  Foresight  Broadness of vision  Uniqueness of vision  Consensus of vision  Practicality of vision  Accessibility of vision
* How important is vision in entrepreneurial process?  Vision is very central in entrepreneurial process as it is the mental picture of the better future that propel the entrepreneur to give all it takes to bring the future dreams into reality by creating venture, work tirelessly to ensure it success and eventually reaping gains/benefits.
* Mission Statement We have said that vision is a mental picture of a preferred future; it is essentially futuristic, and forward looking view of what an organization intends to become. Mission on the other hand is what an organization is and the reason for its existence.
* Characteristics of Mission Statement Kazim (2004) identified seven characteristics of effective mission statement as follows: It should be visible
* Organizational goals and objectives
* Organizational goals Kazim (2004) defined goals as what an organization hopes to accomplish in a future period of time. They represent a future state or an outcome of the effort put in now. Organizational Objectives Objective is described in Olayiwola (2007) as specific intended results of organization activities. Kazim (2004) sees objective as the ends that state specifically how the goals shall be achieved.
* MODULE 3
* Study session 2: 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. Such principles emphasis acceptable manners of conduct among the community members.
* The Nigerian constitution distinguishes between the exclusive and concurrent legislative list. While exclusive list contains areas where only the Federal legislators can make laws, the concurrent list specifies where both Federal and States can legislate but where there is conflict that of Federal supersedes.
* Government regulations are uncalled for in a capitalist economy like Nigeria. Discuss  A popular saying goes thus ‘where there is no law, there is no sin’.
* Government and Business Regulatory Agencies/Bodies There are many aspects of regulatory and monitoring roles of government.
* 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.
* The Standard Council According to Ogundele, (2007), the body was established as Nigerian Standard Organization Act of 1971, now Standard Organization of Nigeria (SON). The functions of the council include:  To advise government on standards, standard specifications, control and methodology.
* 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 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: Functions of the Commission
* (ii) The movement of proceeds or properties derived from the commission of economic and financial and other related crimes;
* (iii) The exchange of personnel or other experts,
* (iv) The establishment and maintenance of a system for monitoring international economic and financial crimes in order to identify suspicious transactions and persons involved,
* (v) maintaining data, statistics, records and reports on persons, organizations, proceeds, properties, documents or other items or assets involved in economic and financial crimes; undertaking research and similar works with a view to determining the manifestation, extent, magnitude, and effects of economic and financial crimes and advising government on appropriate intervention measures for combating same. (k) dealing with matters connected with the extradition, deportation and mutual legal or other assistance between Nigeria and any other country involving Economic and Financial Crimes;
* (l) The collection of all reports relating to suspicious financial transactions, analyse and disseminate to all relevant Government agencies;

(m) Taking charge of, supervising, controlling, coordinating all the responsibilities, functions and activities relating to the current investigation and prosecution of all offenses connected with or relating to economic and financial crimes;

n) The coordination of all existing economic and financial crimes investigating units in Nigeria;

(o) maintaining a liaison with office of the Attorney-General of the Federation, the Nigerian Customs Service, the Immigration and Prison Service Board, the Central Bank of Nigeria, the Nigeria Deposit Insurance Corporation, the National Drug Law Enforcement Agency, all government security and law enforcement agencies and such other financial supervisory institutions in the eradication of economic and financial crimes; (p) Carrying out and sustaining rigorous public and enlightenment campaign against economic and financial crimes within and outside Nigeria and; (q) Carrying out such other activities as are necessary or expedient for the full discharge of all or any of the functions conferred on it under this Act.