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**COMPUTER ENGINEERING COE502 ASSIGNMENT 2 (SUMMARY)**

**An Overview of the Concept of Business and Environment**

The concept 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. A business is also conceived as a legally recognized organization. The concept ‘environment’ literally means the surroundings, internal, intermediate and external objects, influences or circumstances under which someone or something exists. The business environment is simply the surroundings within which a business exists. The environment of the business exhibits the following conditions and characteristics. This is because of the interactions of the various factors that make up the business environment.
These macro environmental forces and micro-environmental forces are the components of the business environment. O 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. Threats to the business success are equally found within the environment. It is absolutely necessary for entrepreneurs to understand the environment.

**Components of the Business Environment – An overview**

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. While weaknesses are inherent limitations or constraints, which create strategic

disadvantages, they are the internal factors that are lacking in the business. A successful entrepreneur will find ways of overcoming the weaknesses and convert them into strengths. The nature of a business’ internal environment is also determined by the organizational resources, organizational behavior, strengths, weaknesses, synergistic relationships and distinctive competence.

**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.

**External Environmental Factors**:

This are those factors over which the entrepreneur has no control but have tremendous impact on the survival of the business it is also called the uncontrollable environment of the business. Within this are all the factors which provide opportunities or pose threats to it. They are the possible pitfalls or dangers resulting from changes in the external environment.

External environmental factors include, **Demographic factors** (includes the market, it deals with their composition in terms of sex, age, income, marital status, educational levels), **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** **factors (**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), **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) Other Factors: The other factors making up the external business environment are: Suppliers (which are other firms and individuals that provide the input resources needed by the organization to produce goods and/or services). Intermediaries (businesses that perform all the activities necessary to direct the flow of goods and services from manufacturers/marketers to ultimate consumers/customers), Customers who constitute a portion of the target market of the business; they are the ones the business strives to satisfy.

**An Overview of SWOT Analysis**

SWOT entails the objective analysis of a business’s Strengths and Weaknesses and its Opportunities and Threats. an organization has to carry out internal and external evaluation and also the SWIOT analysis.

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.

**Strengths/Weaknesses Analysis**: This involves scanning the internal environment of the business in order to identify its strengths and weaknesses, 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.

For instance, opportunities in the technological environment could be availability of advanced technology, developments in Information Technology like the advent of the GSM; opportunities in the Political/Legal environment could be favorable government policies, tax holidays; opportunity in the Demographic environment could be great market demand; opportunities in the Economic environment could be growing export market increased consumer spending and growing industry. To do this effectively the entrepreneur needs to ask him/herself and answer questions pertaining to the 5s (five ‘s’) in terms of their strengths and weaknesses by developing questionnaires to ask questions pertaining to major internal environmental factors, if the answers to these questions are positive/or the factors are present, then you record them as strengths and if the answers are negative/ the factors are absent, then you record them as weaknesses.

**Opportunities and Threats Analysis** ;This involves scanning the external environment of the business in order to identify the Opportunities and Threats.

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

Management succession plans: Entrepreneurs, in selecting a form of business ownership, must look ahead to the day when they will pass their companies on to the next generation or to a buyer. The key to choosing the optimum form of ownership is the ability to understand the characteristics of each business entity and how they affect an entrepreneur’s business and personal circumstances.

Liability exposure: Certain forms of ownership offer business owners greater protection from personal liability due to financial problems, faulty products, and a loss of other difficulties.

Cost of formation: The cost of formation to create business ownership varies from one form to the other. Business often evolves into a different form of ownership as they grow, but moving from some formats can be complex and expensive.

Business goals: The projected size and profitability of a business influences the form of ownership chosen.

**Forms of Business Ownership**

1. 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.
2. A partnership is a legal form of business with two or more owners. Partners legally share a business asset, liabilities, and profits according to the terms of a partnership agreement. 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, with the exception of partnerships comprising professionals.

 Types of Partnership: General partnership: This is a partnership in which all owners share in operating the business and in assuming liability for the business’ debts. Limited partnership:. Limited Partnership (MLP): This is a newer form of partnership which looks much like a corporation in that it acts like a corporation and is traded on the stock exchanges like a corporation but it is taxed like a partnership and thus avoids the corporate income tax. Limited Liability Partnership (LLP): LLP limited partners risk losing their personal assets to only their own acts and omissions of people under their supervision.

**Dissolution and Termination of a Partnership**

A judicial decree that a general partner is insane or permanently incapacitated, making performance or responsibility under the partnership agreement impossible.

**Liability Companies**

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.

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).

Legal Requirement for Registration of Companies: The Companies and Allied Matter Acts specified the documents of incorporation, in section 35 of the Memorandum and Articles of Association: These two documents constitute the basic constitution of a company

Many types of teams can exist within an organization, whatever the type of team that an entrepreneur chooses to have in his enterprise, the goal must be to increase the work of the organization through effective and efficient actualization of the set goals of the enterprise.

1. Formal teams are basically created by the organization as part of the formal organization structure. Three common types of teams exist: vertical, horizontal and special purpose teams

 2.Self-directed teams are designed to increase the participation of low level workers in decision making in the conduct of their jobs with the goal of improving performance. Its types are problem-solving teams and self-directed teams.

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

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. Communication: Effective communication is vital to the smooth functioning of any team. Goal Specification.

Characteristics of an Effective and Efficient Team for a team to be effective, it must possess certain characteristics. Shared vision or goal, Strong team identity, Competent team members, Strong commitment to the team, clearly defined roles, Mutual trust, Small team size, High levels of empowerment, Effective communication, Independence among team members.

Benefits of Teamwork and potential problems in deciding whether to use teams to perform specific tasks, entrepreneurs must consider both the benefit and cost. There are a lot of potential benefits and problems of teams.

**Definition and theories of groups**

1. 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).
2. (ii) 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

**Types of Groups:** Primary group: they are those characterized by intimate, face-to-face association and cooperation. Work Group: it is one created by formal authority of an organization to transform resources inputs into product outputs. Formal Group: Created through formal authority for the accomplishment of given purpose.

 Informal Groups: Emerge unofficially and without being designated as parts of the Organization. Psychological Groups: Groups in which the members truly interact with one another, perceive themselves to be part of the group.

Strategies in Group Development (i) Forming Stage. (ii) Storming Stage. (iii) Initial Integration State. (iv) Total integration

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

Vision evokes pictures in the mind; it suggests a future orientation. Vision entails projection into the future by the organization, by clearly definning its longterm outlook (Adeleke, Ogundele and Oyenuga, 2008)

**Components of vision**: Core Ideology Envisioned future Core ideology is described as enduring character of an organization. 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. In addition to vision, the appropriate combinations of the following factors indicated:

Take away vision = Organization confusion

Take away skills = Organization anxiety

Take away incentives = organization gradual change

Take away resources = Organization frustration

Take away action plan = false starts

 **Ways of keeping Vision Alive** Honor and live the vision as the organization’s constitution.

**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.

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

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.

New business development is a key factor for the success of regional reconversion where conventional heavy industries will have to be phased out or be reconstructed (especially in the field of metallurgy, coalmining, heavy military equipment, etc.).