Alamin Mohammed Nabil

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Business and Business Environment

Business is an undertaking that deals with the production and distribution of goods and services that satisfy human needs and wants. There are Basic Functions businesses perform: production, marketing, finance and production. Managers run a business and management is simply getting things done with others, the managerial functions are: planning, organizing, staffing, directing, coordinating, reporting. Businesses exist within business environments and these affairs are handled by managers.

The characteristics and conditions of business environments are: stable and simple conditions, dynamism, complexity, multi-faceted, far-reaching impact. These factors are pertinent hence the entrepreneur has to monitor the environment constantly.

The business environment is made up of internal(micro-environmental/controllable); those factors the entrepreneur has control over such as physical/social factors and external(macro-environmental) factors; those factors over which the entrepreneur has no control but have tremendous impact on the business. The internal factors are affected by organizational behavior, strengths & weakness of the business, distinctive competence (distinguishability of the business from others), organizational capability. The major external factors are: target business demographic (target customers), political/legal factors, technological factors, socio-cultural factors, economic factors, the competition of other business, natural environment (natural resources available).

Organizations have to carry out internal & external evaluations which involves an analysis of its strength, weakness, opportunities and threat. To carry out the internal evaluation the strengths and weaknesses need to be analyzed by the 5's questions: skills, strategy, staff, structure, systems. If the answers are positive they are strength, if negative they are weakness.

For the external evaluation the entrepreneur has to critically assess the opportunities and threats arising from changes in the environments such as the developments in the technological sector, legal and political factors, etc.

Business ownership and its legal information

Selecting a business ownership is an essential step in the creation of a venture. It is pertinent the entrepreneur makes the best choice for legal ownership that suits the venture's needs as the wrong one can cut short the life of the venture. There is no single best form of business ownership, each has its own advantages and disadvantages that depends on the business involved. These are the certain factors to consider when choosing the form of ownership: Tax Consideration (tax rates vary depending), Liability, capital requirement (startup and future), Management ability, Business goal, Management succession, cost of formation.

Some of the forms of business ownership include: sole proprietorship (a single individual owns and manages the venture), partnership (two or more individuals own the business) of which various types exist; general (all partners share in operating the business as well as its debts), limited (only certain partner share the business liability hence it is 'limited'), master limited (similar to a cooperation but it is taxed like a partnership), and limited liability (partners here risks their own personal assets for any liability of the company those under the company) partnerships, also varying partner forms exist to compliment these partnerships: general, limited, silent, secret, sleeping, nominal partners. Companies are also a form of business ownerships and in Nigeria the following exist:

- Limited Liability Companies and they can be limited by shares, guarantee, or unlimited
- Private liability companies which are formed by at least 2 people excluding past and present employees.
- Public Liability Companies in which the Shareholders are members of the public.

These all need to be registered and follow some requirements which some are given: Memorandum of Association, Article of Association, notice of addresses of head and branch offices any other article(document) required by the Cooperate Affairs Commission (CAC).

Another form of business ownership is the Co-operative in which there is collective ownership of the various entities that make up a business. The Various types include: Consume/Producer, workers, finance co-operatives.

Now all these forms have their pros and cons and whatever one is chosen there are always risk, so certain factors need to be ascertained to ensure the optimum choice; nature and future prospects, tax rates, available resources, governing laws and most importantly legal and financial advisors to aid in the decision process.

Teamwork, Group Dynamic, Entrepreneurship

A team is a unit in which interdependent individuals share their responsibilities, goals and outcomes. Teams exist in any organization and their goal is to effectively and efficiently achieve the goals of the business. Teams can be categorized into two, formal and self-directed, the former existing as part of the organizations structure while the latter exists to aid performance. The entrepreneur must have clear facts about the skills, knowledge and abilities of subordinates in order to be able to ascertain the type of team that best fits the types of goal he seeks to achieve.

In the creation of teams there are five stages that should be adhered: forming (delegation of tasks to members), stormy (resistance of members to pressure involving tasks), norming, performing, adjusting.

In team building there are some relevant issues which arise; communication, goal specification, interdependence, cohesiveness.

The success of an organization depends of the efficiency and effectiveness of the various teams of which they comprise, these characteristics include:

- Shared goals among teammates, team identity
- Competency and commitment
- Effective communication

And other characteristics like: mutual trust, team size. 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. Group can exist as primary, work, formal, informal, psychological. Groups serve as invaluable assets to organizations and individuals, they breed a sense of comradery, accomplishments of tasks to be big for an individual, aiding in personnel development. Some factors affect the performance of groups such as the size, group cohesiveness, group member composition, norms.

The Role of Vision, Mission and Objectives in entrepreneurship development

Vision gives an imaginary picture of a preferred future which the leader must carefully guide the business to achieve. Vision exist in 2 forms; Core Ideology and Envisioned future.

Core ideology is the purpose, identity of the company, it is divided into the values which defines the organizations principles and purpose; the Company's reason for existence. Envisioned Future is the future of the organization, what the entrepreneur aims to achieve. Vision amongst other factors such as: resources, skills, incentives, action plan, bring about the effectiveness of an organization.

A Mission on the other hand states the fundamental and unique reasons for its existence and what makes it distinguishable from other companies. In defining the mission state of a company, these factors need to be take into consideration:

- History of organization and distinctive abilities
- Current performance and operating environment
- Resources available

The mission statement should be clear, precise, visible, motivating, strategic and most of all define a clear path to achieve these objectives.

The role of the government and business regulatory agencies in Nigeria

In every society there is a set regulatory/ legal environment that acts a guide for all business activities to which all parties involved must adhere to. The Nigerian government have set in place to checks and balances to ensure the proper running of any organization, some of these rules include:

- Controlling and monitoring of quality of product through a number of agencies
- Free and fair competition amongst business operators.
- Controlling the disposal of hazardous waste.
- Licensing of organization for production of consumable items.

Some of the regulatory bodies that set the standard for business operators include:

- Corporate Affairs Commission (CAC) whose are responsible for the regulation and supervision of the formation/incorporation/registration/management and winding up of companies amongst other duties
- National Agency for Food and Drug Administration and Control (NAFDAC) who oversees the establishment of the food and cosmetics industry as well as to buttress all the all the production and distribution of said companies.
- Standard Organization of Nigeria (SON) formerly Standard Council whose function is to provide the government with standards, specifications, means of control and methodology.
- The Independent Corrupt practices and Other Related Offences Commission (ICPC) whose duty is to receive and investigate complaints from members of the public on allegations of corrupt practices and in appropriate cases, prosecute the offenders amongst other functions.
- The Economic and Financial Crimes Commission (EFCC)

Other Regulatory bodies include: The Central Bank of Nigeria (CBN), Securities and Exchange Commission (SEC), and others.

The government plays a supportive role in the growth of the entrepreneur and SMEs (Small and Medium Enterprises), the various agencies of the government provides various programs and services that aid in the growth and development of these businesses, some of which include:

- Tax Cuts
- Financial incentives
- Subsidies
- Infrastructural development.

The reason the government supports the growth of these SMEs is due to the fact they contribute to the employment rate than the larger firms thereby forming a backbone for a the economy and aid in the maintaining the fluctuation of the markets.