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COMPUTER ENGINEERING

COE 502

CYBERPRENUERSHIP

# CONCEPT OF BUSINESS

An idea for a business that includes basic information such as the service or product, the target demographic, and a unique selling proposition that gives a company an advantage over competitors. A business concept may involve a new product or simply a novel approach to marketing or delivering an existing product. Once a concept is developed, it is incorporated into a business plan.

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.

# CONCEPT OF ENVIRONMENT

 This literally means the surrounding, internal intermediate and external objects , influences or circumstances under which someone or something exists exhibits certain characterics which have been identified tom be complexity dynamism multifaceted and far reaching impact. These are apart from the simple and stable environmental conditions

The environment of business xhibits the following conditions and characteristics such as:

Stable condition , simple condition , dynamism , complexity,multifaceted,far-reaching impact

# CONCEPT OF THE BUSINESS ENVIRONMENT

The term ‘business environment’ connotes external forces, factors and institutions that are  beyond the control of the business and they affect the functioning of a business enterprise.  These include customers, competitors, suppliers, government, and the social, political,  legal and technological factors etc. While some of these factors or forces may have direct  influence over the business firm, others may operate indirectly. Thus, business environment  may be defined as the total surroundings, which have a direct or indirect bearing on the  functioning of business. It may also be defined as the set of external factors, such as  economic factors, social factors, political and legal factors, demographic factors, technical  factors etc., which are uncontrollable in nature and affects the business decisions of a firm.

 Business environment is made up of the internal and external environment and the main macro-environmental forces/factors found in the external environment and micro-environmental forces/factors/ in the environment of the business.

# Internal Factors that May Affect the Business Organization

The internal business environment comprises of factors within the company which impact the success and approach of operations. [Unlike the external environment](http://pestleanalysis.com/what-is-environmental-analysis/), the company has control over these factors. It is important to recognize potential opportunities and threats outside company operations. However, managing the strengths of internal operations is the key to business success.

The role of company leadership is an essential internal factor. Your leadership style and other management style impact organizational culture. Often, firms provide a formal structure with its mission and vision statements

The nature of a business internal environment is also determined by the organization resources, organizational behaviour, strengths, weakness,synergistic relationships and distinctive competence (kazmi 1999)

# EXTERNAL ENVIRONMENTAL FACTORS

the external business environment is composed of numerous outside organizations and forces that we can group into seven key subenvironments, as economic, political and legal, demographic, social, competitive, global, and technological. Each of these sectors creates a unique set of challenges and opportunities for businesses.

They refer to those factors which the entrepreneur has no control but has a tremendous impact on the survival of the business: this is why it is also called the uncontrollable environment of the business.

The major external environment factors are

Demographic factors , political/legal factors, technological factors ,natural factors, socio-cultural factors ,economic factors,competitive environment etc

# SWOT analysis

It entails the weaknesses and strengths of a business and its opportunities and threats . in order to identify its threats and weaknesses and strength the organizationnhas to carry out internal and external evaluation and also opportunities/threats

The internal evaluation strts with the identification of the profit contribution of each area , followed by allocation of resources , determination of risk involved , variety reduction, realistic allocation of cost and assessment of the vulnerability of the business

# STRENGHT AND WEAKNESSES ANALYSIS

A SWOT analysis is a compilation of your company's strengths, weaknesses, opportunities and threats.

The primary objective of a SWOT analysis is to help organizations develop a full awareness of all the factors involved in making a business decision.

Perform a SWOT analysis before you commit to any sort of company action, whether you are exploring new initiatives, revamping internal policies, considering opportunities to pivot or altering a plan midway through its execution.

Use your SWOT analysis to discover recommendations and strategies, with a focus on leveraging strengths and opportunities to overcome weaknesses and threats.

To run a successful business, you should regularly analyze your processes to ensure you are operating as efficiently as possible. While there are numerous ways to assess your company, one of the most effective methods is to conduct a SWOT analysis.

A SWOT (strengths, weaknesses, opportunities and threats) analysis is a planning process that helps your company overcome challenges and determine what new leads to pursue.

The primary objective of a SWOT analysis is to help organizations develop a full awareness of all the factors involved in making a business decision. This method was created in the 1960s by Albert Humphrey of the Stanford Research Institute, during a study conducted to identify why corporate planning consistently failed. Since its creation, SWOT has become one of the most useful tools for business owners to start and grow their companies.

"It is impossible to accurately map out a small business's future without first evaluating it from all angles, which includes an exhaustive look at all internal and external resources and threats," Bonnie Taylor, chief marketing strategist at [CCS Innovations](http://ccsinnovations.com/), told Business News Daily. "A SWOT accomplishes this in four straightforward steps that even rookie business owners can understand and embrace." You can employ a SWOT analysis before you commit to any sort of company action, whether you are exploring new initiatives, revamping internal policies, considering opportunities to pivot or altering a plan midway through its execution. Sometimes it's wise to perform a general SWOT analysis just to check on the current landscape of your business so you can improve business operations as needed. The analysis can show you the key areas where your organization is performing optimally, as well as which operations need adjustment.

Don't make the mistake of thinking about your business operations informally, in hopes that they will all come together cohesively. By taking the time to put together a formal SWOT analysis, you can see the whole picture of your business. From there, you can discover ways to improve or eliminate your company's weaknesses and capitalize on its strengths.While the business owner should certainly be involved in creating a SWOT analysis, it is often helpful to include other team members in the process. Ask for input from a variety of team members and openly discuss any contributions made. The collective knowledge of the team will allow you to adequately analyze your business from all sides.

In terms of strength and weaknesses by developing questionnaires to ask questions pertaining to major internal environmental factors

Skill- what skill do the organizational members possess

Strategy – does your business have a clear vision and mission

Staff – does the business have qualified staff for relevant position

Structure- does the business have an organizational structure

Systems – does your organization have as system

If the answers to these answers are positive then you record them as strengths

If the answers are negative you record them as weaknesses

# CONSIDERATION FOR THE CHOICE OF THE FORM OF BUSINESS ORGANIZATION

Therefore, a thoughtful consideration should be given to this problem and only that form of ownership should be chosen. Since the need for the selection of ownership organisation arises both initially, while starting a business, and at a later stage for meeting the needs of growth and expansion, it is desirable to discuss this question at both these levels.

 There is no best form of business ownership . each form has its own unique set of advantages and disadvantages . 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 business and personal circumstances.

The following are relevant issues the entrepreneur should follow ( scarborough et al (2009) )

Tax consideration

Liability exposure

Start up and future capital requirements

Management ability

Business goals

Management succession plans

Cost of formation

Whether small or large , every business fits into three categories of legal ownership, sole proprietorships, partnership and corporations

# SOLE PROPRIETORSHIP

The [sole proprietorship](https://www.entrepreneur.com/topic/sole-proprietorship) is the simplest business form under which one can operate a business. The sole proprietorship is not a legal entity. It simply refers to a person who owns the business and is personally responsible for its debts. A sole proprietorship can operate under the name of its owner or it can do business under a fictitious name, such as Nancy's Nail Salon. The fictitious name is simply a trade name--it does not create a legal entity separate from the sole proprietor owner.

The sole proprietorship is a popular business form due to its simplicity, ease of setup, and nominal cost. A sole proprietor need only register his or her name and secure local licenses, and the sole proprietor is ready for business. A distinct disadvantage, however, is that the owner of a sole proprietorship remains personally liable for all the business's debts. So, if a sole proprietor business runs into financial trouble, creditors can bring lawsuits against the business owner. If such suits are successful, the owner will have to pay the business debts with his or her own money.

The owner of a sole proprietorship typically signs contracts in his or her own name, because the sole proprietorship has no separate identity under the [law](https://www.entrepreneur.com/topic/law). The sole proprietor owner will typically have customers write checks in the owner's name, even if the business uses a fictitious name. Sole proprietor owners can, and often do, commingle personal and business property and funds, something that partnerships, LLCs and [corporations](https://www.entrepreneur.com/topic/corporations) cannot do. Sole proprietorships often have their bank accounts in the name of the owner. Sole proprietors need not observe formalities such as voting and meetings associated with the more complex business forms. Sole proprietorships can bring lawsuits (and can be sued) using the name of the sole proprietor owner. Many businesses begin as sole proprietorships and graduate to more complex business forms as the business develops.

Because a sole proprietorship is indistinguishable from its owner, sole proprietorship taxation is quite simple. The income earned by a sole proprietorship is income earned by its owner. A sole proprietor reports the sole proprietorship income and/or losses and expenses by filling out and filing a Schedule C, along with the standard Form 1040. Your profits and losses are first recorded on a tax form called Schedule C, which is filed along with your 1040. Then the "bottom-line amount" from Schedule C is transferred to your personal tax return. This aspect is attractive because business losses you suffer may offset income earned from other sources.

As a sole proprietor, you must also file a Schedule SE with Form 1040. You use Schedule SE to calculate how much self-employment tax you owe. You need not pay unemployment tax on yourself, although you must pay unemployment tax on any employees of the business. Of course, you won't enjoy unemployment benefits should the business suffer.

Sole proprietors are personally liable for all debts of a sole proprietorship business. Let's examine this more closely because the potential liability can be alarming. Assume that a sole proprietor borrows money to operate but the business loses its major customer, goes out of business, and is unable to repay the loan. The sole proprietor is liable for the amount of the loan, which can potentially consume all her personal assets.

# PARTNERSHIPS

If your business will be owned and operated by several individuals, you'll want to take a look at structuring your business as a [partnership](https://www.entrepreneur.com/topic/partnership). [Partnerships](https://www.entrepreneur.com/topic/partnerships) come in two varieties: general partnerships and limited partnerships. In a general partnership, the partners manage the company and assume responsibility for the partnership's debts and other obligations. A limited partnership has both general and limited partners. The general partners own and operate the business and assume liability for the partnership, while the limited partners serve as investors only; they have no control over the company and are not subject to the same liabilities as the general partners.Unless you expect to have many passive investors, limited partnerships are generally not the best choice for a new business because of all the required filings and administrative complexities. If you have two or more partners who want to be actively involved, a general partnership would be much easier to form.One of the major advantages of a partnership is the tax treatment it enjoys. A partnership doesn't pay tax on its income but "passes through" any profits or losses to the individual partners

THE ROLE OF VISION, MISSION AND OBJECTIVES IN ENTREPRENEURSHIP DEVELOPMENT

In any reasonable development and success, there is a need for four vital things to any human being that stands as bridges for reasonable development and success. These important components for reasonable success and development are; (this book shall concentrate more on Vision and Mission)

      i. Vision

      ii. Mission

      iii. Values

      iv. Goals/Objectives

**VISION** is a broad picture about what entrepreneur wants his or her organization or business. Vision is a future desire that guides the present life of a person, business, or organization that wish to be. Vision provides a picture for future of an entrepreneurial venture. Vision comes from all values of life in which a person, business, venture, firm, organization desire to be. Normally values are feelings of a person himself or herself about what he or she wants to be (or organization, business that a person wants to be). Vision also is what a person, business, or an organization wants to become. Is the first step to be considered in business plan or idea. Moreover, vision is the dream about what a person, business, and organization believes or situated.

 **MISSION**describes the strategies and what is going to be accomplished to fulfill the vision. Can be formed by one or more objectives.Vision involves mission and objectives, while mission is formed by strategies to accomplish more than one goal that needed to fulfill values which forms a vision.

**OBJECTIVES (LONG TERM OBJECTIVES)**are derived from mission statements or from vision statements. They should be specific, measurable, achievable, and realistic and time bound (SMART).Is pertinent to the business or organization’s mission.Objectives they have to be clear or clarity that does not use technical words of language. Objectives should use words of intents (like enhance empower…).Short lists of long-term goals are approximately 3years out and updated every two–three years, while mission, vision and values should be permanent.

**VALUES**  are winning ideas that forms vision. Values are short lists known as principles. This involves business, organization, human, social economic and political values

# GOVERNMENT AND BUSINESS REGULATORY AGENCIES/BODIES

## The corporate Affairs commission

## National agency for food and drug administration and control (NAFDAC)

## The standard council

## The independent corrupt practices and other related offences commission (icpc)

## The economic and financial crimes commission (efcc)

# THE OBJECTIVES OF GOVERNMENT REGULATION

* To ensure the development of healthy balance between private and public ownership
* To make use of equal opportunity for cooperation
* To ensure utilization if existing capacity and the creation of economy of scale
* To avoid the creation of natural monopolies
* To develop data base or data bank in business activity

Business Strategy is concerned with the way a business competes. It is concerned with the strategic decisions with regards to product choices, meeting of customer needs, gaining competitive advantage and exploiting or creating new opportunities. (White, 2005) Small to medium enterprises (SMEs) traditionally have a small financial base, a domestic focus and a limited geographic scope as compared to large organizations. (Barringer and Greening, 1998; pg 467) Current competitive environment offers new opportunities to SMEs to extend their customer base both in domestic markets and into the global marketplace. The increasing importance of SMEs have led to numerous researches on successful business strategies and the various constraints in the strategy process. This study intends to carry the previous researches forward and examine the most effective business strategy for SMEs in the wake of current economic climate and the resource constraints.