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ASSIGNMENT: Read and summarize pdf into 8 pages.

Answer

An Overview of the Concept of Business

Businesses do not exist out of the “blues”, They are created by a special kind of work called the entrepreneur. First off, A business is any undertaking that deals with the production and distribution of goods and services that satisfy human needs and wants. The purpose for which a business is established varies, for instance a business could be established for the purpose of making a profit, could be classified as legal; when they are established in agreement with the rules of the land, government or society, etc.

For a business to survive and achieve set goals and objectives, it has to perform the organic business functions which are: production, marketing, finance and personnel. However, care should be taken in not to confuse the organic business functions with the managerial functions. Once the entrepreneur has established the business, managers have to run the business. In order to get things done in the business, managers have to perform the managerial functions which are popularly known with the acronym, POSDCORB (meaning: Planning, Organizing, Staffing, Directing, Coordinating, Reporting and Budgeting). Businesses do not exist in isolation; they exist within an environment which is referred to as the business environment and therefore it is the work of the manager have to manage the affairs of the business taking into awareness the dynamic and complex business environment.

The Concept of Environment

The concept ‘environment’ literally means the surroundings, where as “business environment” is simply the surroundings within which a business exists. The environment of the business exhibits some conditions and characteristics which are: 1) **Stable Condition**; This environment is highly predictable. 2) **Simple Condition**: knowledge is easily comprehensible, 3) **Dynamism**: The business environment changes continuously, 4) **Complexity**: The business environment is not simple, 5) **Multifaceted**: The business environment can be viewed from many angles, and lastly **Far-reaching impact**: The happenings in the business environment can have enormous impact on the organization.

By virtue of the above characteristics, it is important for the entrepreneur to monitor the business environment constantly.

Components of the Business Environment – An overview

The business environment is made up of the internal and the external environment factors. These are discussed briefly below.

Internal Environmental Factors

The internal environmental factors refer to those factors over which the entrepreneur has control of. They are also called the controllable environment of the business. The internal environment of the business is made up of all those physical and social factors within the boundaries of the business, which impart strengths or cause weaknesses and are taken directly into consideration when making decisions about the business.

Intermediate Environmental Factors

Intermediate determinants of entrepreneurship ideally represent 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): designed to work out strategies for dealing with mass unemployment in the country. its program is to provide financial support and training for existing entrepreneurs and beginner entrepreneurs.

Related Support Systems include: • The Federal Institute of Industrial Research, Oshodi (FIRO).
• Project Development Institute (PRODA) in Enugu, etc. These were established to provide technical and technology related support for Nigerian entrepreneurs.

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.

An Overview of SWOT Analysis

SWOT entails the objective analysis of a business's Strengths and Weaknesses and its Opportunities and Threats.

- 1) **Strengths/Weaknesses Analysis:** This involves scanning the internal environment of the business in order to identify its strengths and weaknesses. The entrepreneur needs to ask him/herself and answer questions pertaining to the 5s (Skills, Strategy, Staff, Structure, Systems and Shared Values) in terms of their strengths and weaknesses. If the answers to these questions are positive, then you record them as strengths and if the answers are negative, then you record them as weaknesses. After this, each answer is rated as to whether it is a major strength, minor strength, neutral factor, minor weakness, or major weakness.
- 2) **Opportunities and Threats Analysis:** This involves scanning the external environment of the business to identify the Opportunities and Threats. An effective opportunity and threat analysis is advantageous to the entrepreneur; it will enable the entrepreneur make decisions on whether the business should limit itself to those opportunities where it now possesses the required strengths or should consider better opportunities where it might have to acquire

or develop certain strengths (Dibb et al., 1991; Aluko et al, 1998; Dixon-Ogbechi, 2003; Business-Plan, 2010).

Forms of Business Ownership and Legal Implications

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. It plays a major role in the lives of every individual as well as a nation. Selecting a form of business ownership is a landmark step in the creation of a venture. One of the main reasons small businesses fail is that they do not seek legal and accounting help at the beginning. To stay in business, an entrepreneur may need help from someone with more expertise than he/she has in certain areas, or may help to raise more money to expand, hence the help of a lawyer and accountant is needed.

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. The following, according to Scarborough et al (2009), are relevant issues the entrepreneur should consider in the evaluation process: Tax consideration, start-up and future capital requirements, Management ability, business goals, Management succession plans and Cost of formation (to create business).

Forms of Business Ownership; these include sole proprietorships, partnership, and corporations

- **Sole Proprietorship:** The sole proprietorship is the simplest and most popular form of ownership. The sole proprietor is the only owner and ultimate decision maker for the business. Although sole proprietorships are common in a variety of industries, they are concentrated primarily among small businesses (i.e. repair shops, small retail outlets) and service providers (painters, plumbers). Just to list a few, here are the advantages and disadvantages.

Its Advantages: Ownership of all profit, Easy to discontinue, Privacy. Etc.

its Disadvantages: business has a limited life span, Limited skills and abilities, Few benefits etc.

- **Partnership:** A partnership is a legal form of business with two or more owners. Partners legally share business assets, liabilities, and profits according to the terms of a partnership agreement. The partnership agreement is a document that states all of the terms of operating the partnership for the protection of each partner involved. Notably, most partnerships are usually formed by professionals and those that engage in service-oriented business concerns.

Its Advantages: Easy to establish, longer chance of survival, flexible, Minimum governmental regulation, etc.

its Disadvantages: Division of profits, lack of continuity, etc.

Limited Liability Companies

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.

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. It also specifies the category of people that can come together to form a company.

Teamwork, Group Dynamic and Entrepreneurship

What is a team?

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. A team could also be seen as a group of people with some common identity, each of whom possesses particular aptitudes, knowledge and skills, meaning members of an effective team usually have to possess matching skills, to achieve common goal.

Team Building

Team building exercises are very important in the development of teams that will work together for an extended period of time on a complex project or series of activities (Darwyn, 2000). Team formation or process is made up of five stages namely:

- Forming: this is where members find out what the task is, what the rules are and what methods are appropriate. Stormy: emotional resistance to demands of task.
- Norming: members open exchange views and feelings, cooperation develops
- Performing: development of solutions to problems, constructive attempts at task completion.
- Adjusting: modifications made in the light of feedbacks (Ogundele 2011). Team building ensures that the social (interpersonal attraction) as well as task cohesiveness is built into the team.

Others include; communication with members, having a common goal, determination within team.

Characteristics of an Effective and Efficient Team

For a team to be effective, it must possess certain characteristics. These characteristics are:

- Shared vision or goal: There must be a vision or goal to which every member of the team subscribes to. This vision or goal must be understood and shared by all.
- **Strong team identity:** Members must strongly feel themselves as actively belonging to a team.
- **Results driven structure:** The structure of the team should be such that it will enable the achievement of set goals.

- **Competent team members:** The structure of the team is very important. Care should be taken to ensure that members have task relevant skills, knowledge and attitude that will ensure goal attainment.
- **Clearly defined roles and responsibilities:** Every team member knows what his or her role and an expectation are, and directs his or her energy towards performing them.
- **Strong commitment to the team:** There is high social and task cohesiveness. The former ensures good interpersonal relations, while the latter results in feeling of fulfillment arising from goal achievement.
- **Mutual trust:** Members trust and believe in one another in other words, there is reciprocity of trust among members. Mutual trust ensures smooth interpersonal relations. Small team size: The size of a team has implications for its performance. Large teams tend to have disagreements and differences of opinions which may impede goal attainment.
- **Interdependence among team members:** The task of the team is such that there is interdependency among members. That success of the team is determined, at least in part, by the success of other members
- **Effective communication:** Information necessary for achieving team goals is freely shared among members to enhance performance.
- **High levels of empowerment:** Essential power and authority is given to team members. This will enable them get their jobs done without looking at the higher authority.

Benefits of Teamwork and potential problems

Its Benefits

- **Increased level of effort:** Since the success of teams depends on all the members, exceptional effort is thus made to ensure goal attainment.
- **Satisfaction of members:** Working in teams can help meet these needs. Participative teams reduce boredom and often increase employees' dignity and self-worth.
- **Expanded job knowledge:** Teams empower employees to bring together knowledge and ability to task and Multi-skilled employees learn the entire job that the team performs.

Its Potential Problems

- **Power realignment:** Successes of teams, especially self-directed teams often create lesser needs for supervisions. This adjustment may be difficult for the entrepreneur who fears the loss of status (Bernstein, 1987) when his control diminishes.
- **Free riding:** Free riding or social loafing occurs when team members do not exert equal effort in goal attainment. In large teams, some people are likely to work less, meaning 60 therefore, that some other members have to work more. The term 'free rider' is used to describe a member who attains benefits from team membership but does not do a proportionate share of the work (Albanese and Van Fleet, 1985).

- Coordinating cost: The time and energy required to coordinate the activities of a group to enable it to perform its task are called coordinating costs (Daft, 1994). Groups often spend time getting ready to work and lose productive time deciding who is to do what and when (Brightman, 1988).

The Roles of Vision, Mission and Objectives in Entrepreneurship Development

Defining vision and its components

A Vision suggests pictures in the mind; it suggests a future orientation. Vision is vital to human existence. The future picture (Lynch, 1997): Vision is in the realm of imagination of a favorable future. Vision is best described by the vision-er. It gives an imaginary picture of a preferred future which the leader must carefully guide the organization to reach. 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 vision-er must bring into reality with the support of others.

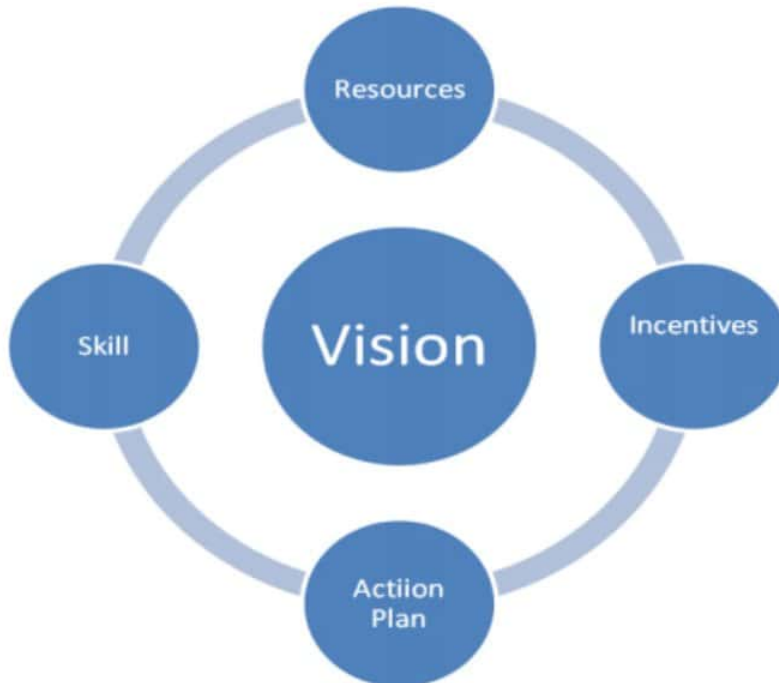
Components of vision Components of Vision

According to Collins & Porras, (1996) can be broadly classified into two, namely: Core Ideology and 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. 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 i.e. core tenet of the organization, guiding principles, what the organization stands for. It is a state of belief that is very difficult or impossible to change. It has to do with the foundation on which the business relationship both to the society and the entire stakeholders is built. It is the extent of integrity the organization is ready to maintain. Core purpose: the reason for the organization's existence, a clear description of the activities of the organization. Any organization or individual that misses its purpose is not fit to live; the core purpose must be seen to be achieved. If the purpose is to create an enduring financial system such organization must be seen to fulfill such purpose.

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. o Define vision and list two important component of vision

Figure 1: Processes of a developing vision.



Key elements that make a Leader with vision to succeed

- 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.
- Create a vision and strategy for the organization: An entrepreneur is the creator of its vision; it is usually first conceived within, and then expressed in writing, the realization of which requires appropriate strategies to be put in place for its implementation.
- Trust and support others: The entrepreneur cannot realize his vision without others. It is therefore necessary to ensure that the entrepreneur communicate his/her vision in a very clear and unambiguous way to elicit the support of others.
- Open yourself for criticism and be ready to adjust: An entrepreneur must be able to subject the vision to criticism so as to amend and make the vision better.

Ways of keeping Vision alive

- Honor and live the vision as the organization's constitution: The vision is not a document prepared and hung in the office. The culture and value of the organization must take its root from the vision.
- Encourage new members' understanding and commitment through early introduction. New members of the organization must be taught and understand the aspiration of the organization.

- Make it constantly visible: Let the attitude of the leaders always reflect the organizational vision. The decision-making process must be in line with the organization vision, so that all members of the organization are constantly aware that it is the organizational vision that is directing the activities within the organization.
- Create integrity through alignment and congruency: decision making patterns, personnel policies etc. must be in line with the vision. Review the vision periodically, revising as appropriate to reflect changing conditions.
 - o List how you will ensure your vision is brought into reality

Mission Statement

A meaningful mission must specifically state the fundamental and unique reason for its being and how it is different from other corporate organizations. Pearce II & Robinson Jr., (2004) defined mission as the fundamental, unique purpose that sets a business apart from other firms of its type and identifies the scope of its operations in product and market terms. Mission gives specific direction and focus to the organization. In defining the mission statement, the organization must take into account five key elements namely:

- History of the organization
- The current performance of the organization
- The environment where it operates
- The resources available and
- Distinctive competences

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. Goals and objectives are often used interchangeably; the major difference has to do with the fact that goals are considered broader than objectives. Goals can be stated in broad terms such as marketing goals, financial goals, and production goals. When these goals are broken down to reflect specific, measurable and timing of their accomplishment, they then become objectives.

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 emphasize acceptable manners of conduct among the community members. Similarly, 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:

- The Federal Legislation acts
- The State legislation laws
- Local Government by laws