What is a business?

- A business is any organisation that makes goods or provides services.

- There are many types of business in the UK. These range from small firms owned and run by just one self-employed person, through to large companies which employ thousands of staff all over the world.

Businesses exist to provide goods or services. Goods are physical products such as burgers or cars. Services are non-physical items such as hairdressing. Customer needs are the wants and desires of buyers. Nearly half a million businesses start up each year. A business start-up is a new firm operating in a market for the first time.

The vast majority of businesses are very small and operate in the service sector.

Suppliers, customers and markets

Businesses buy the products they need from suppliers – firms selling products to other businesses - and sell to customers. The individual who uses the product is called a consumer. Sometimes the customer and consumer are different people - for example, parents buy a pen for their child to use at school.

Businesses sell to customers in markets. A market is any place where buyers and sellers meet to trade products - this can be a high street shop or a website. Businesses are likely to be in competition with other firms offering similar products.