Introduction to business management

- every business decision has moral implications
- these consequences can be significant for internal and external stakeholders and the natural environment.

**What is a business?**

Traditional a business is an entity (organization) which tries to combine human, physical and financial resources into processing goods and services to respond to and satisfy customer needs.

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### The production process

<table>
<thead>
<tr>
<th>Inputs</th>
<th>Process</th>
<th>Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ex: raw materials, components, machinery, equipment</td>
<td>turning inputs into outputs manufactured goods or into the provision of services</td>
<td>the outputs or provision of final goods and services.</td>
</tr>
</tbody>
</table>

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**inputs**: are the resources that a business in the production process; labor and raw material.

**This process generates outputs.**

the term; product can refer to both goods/services
- goods are physical products (cars)
- services are intangible products (haircut)

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### The role of business functions

- **human resources**: the human resources department is responsible for managing the personnel of the organization.
- **finance and accounts**: the finance and accounts department is in charge of managing the organization's money.
- **marketing**: the marketing department is responsible for identifying and satisfying the needs and wants of customers.
- **operations**: is responsible for managing the resources which are dedicated to the production and delivery of product and services

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**Do changes in economic structures affect firms?**

**Changes in economic structure**: the importance of each sector in a country's economic structure changes over time.

**Industrialization**: describes the growing importance of the secondary sector manufacturing industries in developing countries.

In developed economies the situation is reversed, there is a general decline in the importance of secondary sector activity and an increase in tertiary sector. This is known as **de-industrialization**

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### Different Sectors:

- **primary**: resources based and extraction activities: fishing, farming