

Unit 1.1 : Introduction to business & management

Exist to satisfy needs and wants of citizens or organizations.

Business activity:

INPUTS = human, physical, financial, enterprise

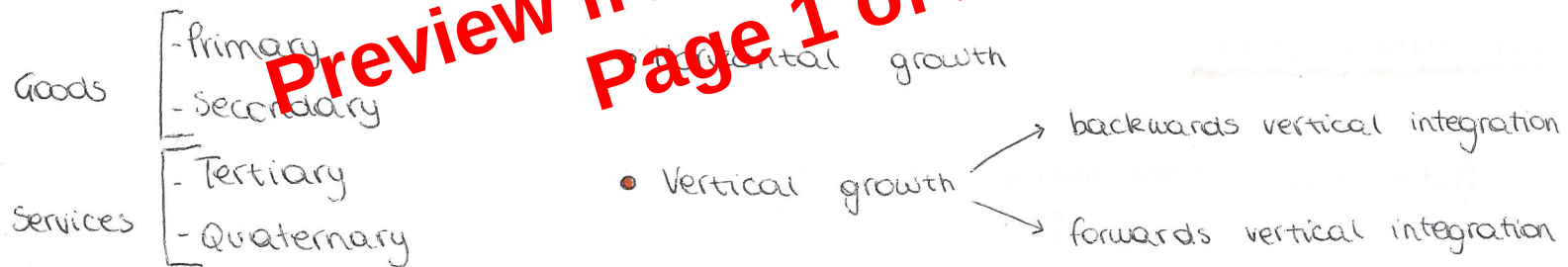
PROCESSES = capital intensive, labour intensive

OUTPUTS = goods, services

Business functions:

- Human resources
- Marketing
- Finance and accounts
- Operations management/production

Economic sectors:



Entrepreneur : An individual who demonstrates enterprise and initiative to make profit

Intrapreneur : An individual employed by an organization who demonstrates entrepreneurial thinking in the development of new products/services

Reasons for starting a business:

PRINCIP

- Rewards
- Interest
- Independence
- Finding a gap
- Necessity
- sharing an idea
- Challenge

The process of starting up a business:

1. Organizing the basics
2. Researching the market
3. Planning the business
4. Legal requirements
5. Raising the finance
6. Testing the market

The elements of a business plan:

- Business idea, aims and objectives
- Business organization
- HR
- Finance
- Marketing
- Operations

Calculating profit

$$\text{Profit / loss} = \underset{\substack{\uparrow \\ \text{inflow of money} \\ (\text{what you sell})}}{\text{Total revenue}} - \underset{\substack{\uparrow \\ \text{outflow of money} \\ (\text{machines, labour})}}{\text{total cost}}$$

Preview from Notesale.co.uk
Page 2 of 12