

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?

traditionally 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.

The production process

Inputs	Process	Outputs
Ex: raw materials, components, machinery, equipment	turning inputs into outputs manufactured goods or into the provision of services	the outputs or provision of final goods and services.

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)

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 products and services

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

Different Sectors:

- ❖ primary: resource based and extraction activities: fishing, farming