

People who carry out distribution are called **distributors**. Examples of distributors are **wholesalers** and **retailers**.

- f) **Provisions of services**-This refers to the provision of mental or physical human assistance. These include activities such as hair styling, car-washing, nursing, teaching, driving, and entertaining e.t.c.

PRACTICAL ACTIVITY: Give examples of activities (not goods) you pay for.

BUSINESS ENVIRONMENTS AND THEIR EFFECTS ON THE BUSINESS

Business environment refers to conditions or factors that affect business operations. It may be **internal** or **external environment**.

Internal business/micro environment

This consists factors that are within the business unit itself. The firm has control over these factors. Some factors weaken while others strengthen the performance of the business. **Internal environmental conditions** include:-

1) **Objectives of the business**

These are targets or goals that are set by the owners or managers of a business to be achieved. The objectives will influence the following:-

a. The strategies of a business.

b. The resources required.

2) **Management policies and style**

The management refers to the people who are responsible for directing the day-to-day operations of a business. It comes up with the following:-

- a) **The policies of a business**-A policy is a course of action for achieving the set objectives. The policies adopted by a business may boost or hinder its growth and survival e.g. employees rights to join trade unions or not.
- b) **The activities of a business** - Management policies will determine the activities of a business i.e. the goods and services provided, location of business e.t.c.
- c) **Management style**-This refers to how managers conduct the daily operations of the business. This will determine how workers relate with their managers.