

# 1.1 What is a business

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Business is decision making organizations

- A business is a decision - making organization involve in the process of using inputs to produce good and / or service

INPUT:

- Land
  - o Nature resources
- Labour
  - o Human resource(skill/ability of workers)
- Capital
  - o Man made equipment/machinery
- Enterprise
  - o Innovation/skills/risk taking of the owners of the business.

PROCESS - use the resources

- Marketing
- Human
- Operation

OUTPUT

- Good and service

When doing question - put yourself into situation and answer question in detail and specific.

Business sectors

- Business can be classified according to the stage of production they are engaged in
- These are known as sector of an economy

PRIMARY sector

- Extraction of raw material

SECONDARY sector

- The production of raw material into finished goods

TERTIARY sector

- Providing service for generating population

QUATERNARY

- ICT business(ICT based activities)

As item make its way through chain of production, the value is adding to the item.

## Entrepreneur

B2B = business to business

B2C = business to customers

IPO = initial public offering

Entrepreneur is the group or individual who take the risk, plan, organized, manage of a business.

Characteristic:

Initiative

Innovative

Risk - taker

Effective communicator

Courage

Vision

Optimistic

### The challenge of the new business

- Production problem
- Poor location
- Workforce management
  - o Non-suitable
- External influences
- Legalities
- Marketing problem
- Unstable customer base
- Lack of financial capital
- High production costs
- Cash flow problems

### Opportunities of starting up a business (GETCASH)

- Growth
  - o Growth of personal assets (excess than working for other )
- Earning
  - o Massive potential profit (excess than working for other )
- Transference and inheritance
  - o Give the business to next generation
- Challenge
  - o Enjoyable challenge
- Autonomy
  - o Fixed working hour(more freedom)
- Security
  - o Job security as self employed
- Hobbies
  - o Input personal passionate