



Unit 1

1. Business Organization & Management Processes

1.1 Types of business

1.2 Service industry, manufacturing industry, trading industry.

1.3 Industrial sectors: Types and features of- engineering industry, process industry, textile, chemical, agriculture, information technology, banking, insurance, retail, hospitality, automobiles, paper, cement ,petrol, chemical, sugar, steel and healthcare etc.

1.4 Emerging trends in business: Industry 4.0 revolution and Smart Manufacturing, globalization and its effect.

1.5 Management: Concept, definitions, levels, administrator & management, scientific management.

1.6 Principles of management: 14 principles of Henry Fayol.

1.7 Functions of management: Planning, organizing, staffing, directing and controlling.



Ahem!?

1 - 1.2 Business

- Business may be defined as “an activity, in which different persons exchange something of value whether goods or services for mutual gain or profit.”
- Also, an enterprise engaged in production and distribution of goods for sale in market or rendering services for a price.
- Characteristics
 1. Business activities are directly or indirectly concerned with the transfer or exchange of goods and services for value.
 2. Business consists on dealings in goods and services.
 3. This exchange could be continually or at least recurrently.
 4. Its an human activity directed towards the acquisition of wealth.
 5. Element of risk, that is possibility of loss is mutually uncertain as profits.
- Objectives
 1. Organic
 2. Economic
 3. Social
 4. Human
 5. National
- Types of Businesses
 1. Service
 2. Manufacturing
 3. Trade

1. Service Business

- The service industry provides services to businesses as well as end consumers.

- Its also known as tertiary sector.
- Here no goods or products are produced.
- Service sectors in India includes
 - Advertising Agencies
 - Transportation
 - Communication
 - Financial Services
 - Real Estate
 - Tour Operators
 - Event Management
 - Packaging services

2. **Manufacturing**

- Manufacturing is the production of merchandise for financial profits.
- It could be handicraft or high tech production process too.
- In essence, it refers to transformation of raw materials into finished goods.
- It could be B2B or B2C.
- Example of Finished good:
 - Television, Fan, Electronics, Automobiles, etc.

3. **Trade**

- Trade is the process of buying, selling or exchanging goods or services.
- In Trade, the ownership of the product changes constantly.
- The profits are made in the form of commission.
- In wholesale trade, goods are sold in masses and in retail trade, goods are sold in small lots.
- Production > Distributor > Whole Seller > Retailer

- Example - Ecommerce Websites like Amazon, Flipkar; Retail shops.

1.3 Industrial Sectors

- Industry means a place where materials are extracted or converted into finished or semi-finished products.
- Various Industries are classified into various sectors.
- Types of Industries are

1. engineering industry -

- Engineering is almost the largest segment in the Indian Industry.
- It is a diverse industry with a number of segments.
- Engineering exports include transport equipment, capital goods, machinery and light engineering products such as castings and fasteners.

2. process industry

- Process industry involves liquids or things in their initial liquid state that goes through some kind of processing and create an entirely new thing.
- It is common in the food, beverages, chemical, paints and coatings, ceramics, plastics, pharmaceuticals, and bio industries.
- The primary production processes are either continuous or a batch production.

3. textile

- Clothing is the basic human requirement. Textile industry is nothing but manufacturing of threads.
- Indian textile industry is mainly cotton based. India is the 2nd largest producer of cotton and exporter of cotton yarn.
- The various raw materials used by textile industry are:
 - Cotton, Wool, silk, jute, etc

4. chemical

- The chemical industry comprises of the companies that produce industrial chemicals. It uses oil, natural gas, air, water, metals and minerals as raw materials.
- It produces more than 70k different products.
- This industry is categorized in 4 parts
 - Basic Chemicals
 - Life Sciences
 - Speciality Chemicals
 - Consumer Products

5. agriculture

- It is the industry connected with agriculture.
- Industry dealing with
 1. The supply, processing and distribution of farm products.
 2. production, processing and packaging of food using modern equipment and methods
 is called as Agro industry
- Agriculture is the mainstay of Indian economy which provides 50% of india's work force.
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6. information technology

7. banking

8. insurance

9. retail

10. hospitality

11. steel and healthcare etc.

1.4 Emerging trends in business:

1. Globalization

- Globalisation is the process of integration of national economies into the international economy through trade, capital flows, transfer of technology, and foreign direct investments.
- Globalization means integrating the domestic economy with world economy.
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Management

- Management is an art of getting things done through or with the people in formerly organised groups. ~Harold Koontz
- Management is an art of knowing what to do, when to do and see that it is done in the best and cheapest way possible - F. W. Taylor
- Three Levels of Managements:

1. Top Level management

- Top Level managers basically lead the whole organisation.
- They include president, vice president, CEO, CxO, etc.
- Top Level Managers lead middle level managers to ensure attainment of goals and objectives of organisation.
- In the public view, top management represent the whole organisation in community affairs, business deals and government negotiations.
- One can say that, the overall survival and growth of the organisation depends on these top level managers.

2. Middle Level Management

- Managers responsible for various departments.
- Coordinators between top level managers and front line managers, employees and customers.
- Transform goals and objectives into practice and operational plans. They decide targets for departments for attainment of organisational goals.
- Recruit and manage frontline managers.

- They Include divisional managers, department managers like production manager, marketing manager, and other middle managements.

3. Frontline Management

- The front line managers supervise and co-ordinate the activities of operating employees.
- They ensure instructions by top and middle level managers are satisfied.
- Their primary job is to put method, procedures, rule and regulations in place in order to achieve desired production at desired quality.
- They record performance of employees and provide reports of production and performance to middle managers.
- Coordinator between middle level and employees.¹

[[Top Level management]]

[[Henry Fayol's 14 Principles for Management]]

[[Functions of Management]]