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Introduction into Business

Business is an organized approach to providing customers with the goods and services they want. The word *business* also refers to an organization that provides these goods and services. Most businesses seek to make a *profit* - that is, they aim to achieve *revenues* that exceed the costs of operating the business. Prominent examples of *for-profit businesses* include Mitsubishi Group, General Motors Corporation, and Royal Dutch/Shell Group. However, some businesses only seek to earn enough to cover their *operating costs*. Commonly called nonprofits, these organizations are primarily nongovernmental service providers. Examples of *nonprofit businesses* include such organizations as social service agencies, foundations, advocacy groups, and many hospitals.

Business Operations: a variety of operations keep businesses, especially large corporations, running efficiently and effectively. Common business operation divisions include: production, marketing, finance, and human resource management:

Production includes those activities involved in conceptualizing, designing, and creating products and services. In recent years there have been dramatic changes in the way goods are produced. Today, computers help monitor, control, and even perform work. Flexible, high-tech machines can do in minutes what it used to take people hours to accomplish. Another important development has been the trend toward just-in-time inventory. The word inventory refers to the amount of goods a business keeps available for wholesale or retail. In just-in-time inventory, the firm stocks only what it needs for the next day or two. Many businesses rely on fast, global computer communications to allow them to respond quickly to changes in consumer demand. Inventories are thus minimized and businesses can invest more in product research, development, and marketing.

Marketing is the process of identifying the goods and services that consumers need and want and providing those goods and services at the right price, place, and time. Businesses develop marketing strategies by conducting research to determine what products and services potential customers think they would like to be able to *purchase*. Firms also promote their products and services through such techniques as advertising and *personalized sales*, which serve to inform potential *customers* and motivate them to

purchase. Firms that market products for which there is always some demand, such as foods and household goods, often advertise if they face competition from other firms marketing similar products. Such products rarely need to be sold face-to-face. On the other hand, firms that market products and services that buyers will want to see, use, or better understand before buying, often rely on personalized sales. Expensive and durable goods - such as automobiles, electronics, or furniture - benefit from personalized sales, as do legal, financial, and accounting services.

Finance involves the management of money. All businesses must have enough capital on hand to pay their bills, and for-profit businesses seek extra capital to expand their operations. In some cases, they *raise* long-term *capital* by selling ownership in the company. Other common financial activities include granting, monitoring, and collecting on credit or loans and ensuring that customers *pay bills* on time. The financial division of any business must also establish a good working relationship with a bank. This is particularly important when a business wants to *obtain a loan*.

Businesses rely on effective **Human Resource Management (HRM)** to ensure that they hire and keep good employees, and that they are able to respond to conflicts between workers and management. HRM specialists initially determine the number and type of employees that a business will need over its first few years of operation. They are then responsible for recruiting new employees to replace those who leave and for filling newly created positions. A business's HRM division also trains or arranges for the training of its staff to encourage worker productivity, efficiency, and satisfaction, and to promote the overall success of the business. Finally, human resource managers create workers' compensation plans and benefit packages for employees.

<p><i>I. Choose three words which you consider the most important ones in any business from the list below. Explain your answer:</i></p> <p>money business promotion customer challenge result respect profit team spirit prestige</p>	<p><i>II. Discuss the following questions</i></p> <ol style="list-style-type: none"> 1- Give definition to the word 'business'. 2- What is the difference between for-profit and non-profit organizations? Support your answer with relevant examples. 3- What is production? 4- Specify the notion of 'just-in-time inventory'. 5- What is marketing? 6- Define such business operation as finance. 7- What does HRM involve ?
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