

1.2 Types of Organization

Thursday, September 12, 2013

9:58 AM

- Private and public sectors
- Starting a business
- Reason for starting a business Profit based organization
- Non government organization

Private and Public Sector Organizations

Thursday, September 12, 2013
10:02 AM

1. Private sector companies

- definitions
 - Are owned, financed and controlled by private individuals and organizations, rather than by the government
- Aim and motive
 - Profits
- Types of private sector companies
 - Sole p.
 - Partnership
 - Private limited companies
 - Public limited companies (PLCs)
 - Franchises

2. public sector companies

- Definitions
 - Are under the ownership, financed, and control of the government
- Aims and motives
 - To provide basic good and services to the public
- Companies
 - Schools
 - Hospitals

	School	Health care	Telecom
Private	Mks Bahrain school	Bahrain specialist Ibn nafees	Viva Zain
public	Gov't school	Salmaniya	Batelco

Private:

Expensive

Public:

Reason For Starting a Business

Monday, September 16, 2013

9:25 AM

- Profit
- Reputation
- Want to be in control (want to be your own boss)
- Job security
- Hobbies

Starting a business

Monday, September 16, 2013
9:34 AM

Starting a business is a risky adventure

To start a business you need

Factors of production

Land

Labor

Capital

Entrepreneurship

Profit making and non profit making Businesses

Wednesday, September 18, 2013

9:14 AM

- Profit making businesses
 - o Small companies
 - Sole trader (sole proprietorship)
 - Advantages
 - ◆ Don't need to share the profit
 - ◆ Your own boss
 - Disadvantages
 - ◆ Unlimited liabilities
 - Partnership (2 to 20 people)
 - Advantages
 - ◆ More capital
 - ◆ Division of labor and specialization
 - Disadvantages
 - ◆ Unlimited liability
 - o Big companies
 - Private limited
 - Company that can be opened between a family or a group of friends
 - Need 2 major documents
 - ◆ Memorandum of association
 - ◆ Article of association
 - Advantages
 - ◆ Limited liability
 - ◆ Capital growth
 - Disadvantage
 - ◆ Long decision making
 - Public limited
 - Need 2 major documents
 - ◆ Memorandum of association
 - ◆ Article of association
 - Anyone can buy the shares
 - Advantages
 - ◆ Lot of capital
 - ◆ Limited liabilities
 - Disadvantage
 - ◆ Decision making is very long
- Non profit making companies
 - o Non governmental organization
 - o Charities

Slide notes

Wednesday, October 2, 2013

9:42 AM

- Business and Management-Form 5:
1.2 Types of Organizations
- Lesson 1: Private & Public Sector Organizations
- Lesson 2: Starting a Business
- Lesson 3: Reasons for Starting a Business
 - 1. Focus Question
 - 1. What are the differences between the private and public sectors?
 - 2. What are some business objectives?
 - 2a. Where do businesses operate?
 - Business Activity:
 - Primary Sector –
 - extraction of raw materials from the earth – mining, quarrying, fishing, agriculture, forestry
 - Secondary Sector –
 - Processing of raw materials into finished or semi-finished products – manufacturing
 - Tertiary Sector –
 - Service industries – leisure, transport, finance, distribution, retailing, wholesaling, communications
 - ...
 - 2b. Where do businesses operate?
 - Multiple Business Activity
 - e.g. British Petroleum involved in:
 - Oil exploration and drilling (Primary)
 - Refining oil – production of gas, petroleum, bitumen, lubricants, etc. (Manufacturing)
 - Distribution of petrol from refineries to petrol stations and sales of petrol to consumer (Tertiary)
 - Research and Development (Tertiary)
 - ...
 - 3a. Private Sector
 - Business activity owned, financed, and controlled by private individuals; not owned by the government.
 - Main goal of most private sector businesses is to make a profit.
 - Sole Traders

- Partnerships
- Private Limited Companies
- Public Limited Companies (PLCs)
- Co-operatives
- Franchises
- Charities
- ...Homework...look these terms up J
- 3b. Objectives of Private Sector Business
- 4a. Public Sector
- Business Activity owned, financed and controlled by the state through government or local authorities.
- These are run to provide essential goods and services.
- In most cases, their aim is not making a profit.
 - Government – key departments set policy and monitor implementation
 - Local Authorities – County Councils, District Councils, Parish Councils
 - Health Trusts
 - Public Corporations – BBC
- ...
- 4b. Public Sector
- So...why do some organizations belong to the public sector?
 - Access –
 - Basic services are available to all regardless of location or income.
 - Education, health care, public parks, etc.
 - Quality –
 - To avoid waste: high quality services that do not cut corners.
 - Postal services, national defence, etc.
 - Affordability –
 - services offered at prices that are cheaper than private sector or free at the point of use.
 - Equity –
 - available to anyone whatever their background, status, income, class, race, religion, etc.
 - To protect citizens and businesses using the police, courts and etc.
 - To reduce unemployment, governments are a large employer of teachers, doctors, and nurses.
 - ...
- 4c. Range of Business Offered by the Public Sector
- 5a. Privatization
- Today, many public sector companies have been privatized.

- Which means, sold off to the private sector.
 - Box 1.2a in your text lists some benefits.
- Now...who keeps these companies in check?
- How do we know if they are conducting and performing in a proper manner?
 - Regulatory bodies have been set up by the government to monitor the conduct and performance of privatized companies.
 - They safe guard the interest of the general public.
- So...are privatized companies a good thing?
- 5b. Business Objectives: Public and Private Sector Aims - Activity
- What are the main objectives of those who provide business activities in the public sector?
- What are the main objectives of business activity in the private sector?
- Could the links between private and public sector business activity lead to conflict in terms of meeting objectives?
- How might the business activity you investigate be financed?
- 5b. Business Objectives: Public and Private Sector Aims - Activity
- Image: Hospitals and schools are good examples of public sector organizations.
 - But what business services does each provide, and
 - What are the objectives of these?

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- 5c. Business Objectives: Public and Private Sector Aims - Activity
- Lets look at some mission statements / objective of some private and public sector businesses.
- See websites.
 1. <http://www.starbucks.com.au/en-AU/About%2BStarbucks/Mission%2BStatement.htm>
 2. <http://www.canadapost.ca/AboutUs/Corporate/VisionValues.aspx>
 3. <http://www.edu.gov.on.ca/eng/about/>
- 2. Starting a business
- Thomas Edison defined genius as 1% inspiration and 99% perspiration, he could have been talking about...
-
- **starting a business.**
- 1. Focus Question
 1. Why is starting a business such a risky project?
 2. Describe your ideal businesses.
 3. List the things you think starting a business requires.
 - 2a. Starting a Business
 - People need capital (money) to start a business.
 - Starting a business requires research on a variety of issues, including:

- How much it will cost to start the business,
- Where to locate the business, and
- The cost of advertising in newspapers, magazines, etc.
 - Businesses need publicity materials, such as banners to introduce the business to the community; signs; and business cards.
- Most businesses in America are small businesses.
 - Many small businesses fail but the ones that succeed do so because their owners take the time to carefully plan the business.
- 2b. Starting a Business
- So it is a risky project because investors and owners are venturing into the unknown.
 - Underestimation of the challenges
 - High start up costs
 - See pg 21, Box 1.2b
- So why do people do it?
 - \$\$\$\$-profit-\$\$\$
 - The key incentive for taking any risk.
- 2c. Starting a Business
- So...who takes the risk in setting up a business?
 - The entrepreneur.
 - They manage, plan, and organize the other three factors of production to provide goods and services.
 - What are the other three factors of production?
 - ◆ Land, Labour, and Capital.
 - They will also go through a decision-making process (discusses later) to decide:
 - Where the firm wants to be.
 - How it is going to get there.
 - How success will be monitored.
- Factors to consider when setting up a business:
- 3. Reasons for Starting a Business
- 1. Focus Question
- 1. What are some reasons for setting up a business?
 - ...
 - 2. How do you identify market opportunities?
 - ...
- 2a. Reasons for Starting a Business
- There are many reasons why people start a business.
 - Do you know why?
 - That's RIGHT!

- GET CASH!!!
- What does G.E.T C.A.S.H. stand for?
- ...
- 2b. Reasons for Starting a Business

Growth:

- Some assets will grow or increase (appreciate) in value over time. Such as...?
 - Land, property.
 - This is called Capital Growth.
 - It is possible that the capital growth is worth more than the owners salary.

Earnings:

- “You can never get rich earning money from working for someone else.” –Chinese saying.
- Setting up a business may outweigh the costs, even though the risks are high.
- 2c. Reasons for Starting a Business

Transference / Inheritance:

- In many cultures it is normal to pass on assets.
- Many self-employed people view their business as something they can pass on to their children.

Challenge:

- Some see setting up and running a business as challenging.

- 2d. Reasons for Starting a Business

Autonomy:

- Do you like working for someone else?
- Do you like following someone else’s rules and regulations?
- OR...Do you like freedom? Independence? Flexibility?
- Would you like to be your own boss?

- 2e. Reasons for Starting a Business

Security:

- More job security if you are your own boss?
- Who is going to fire you?
- Being self employed makes it potentially easier to accumulate personal wealth to provide for early retirement.

Hobbies:

- Some people turn their hobbies into a business.
- Successful entrepreneurs have a passion for what they do.