

Chapter 1 – People in Business

Entrepreneurs

1. These are the people who see a gap in the market and take the initiative to turn an idea into a business.
2. They take the financial and personal risk that the business might fail
3. Their needs are profits and they offer employment

Investors

1. Investors are the people who provide a business with the finance it needs.
2. This capital can come from Loan or grants
3. Their needs are Return and the offer capital

Employers and employees

1. These are people who work in a business
2. Their rights include being paid a min.wage
3. Responsibilities include being honest and loyal

Managers

1. are responsible for the running of the business and achieving its goals.
2. They plan organise and control (Mgt Activities)
3. they must have leadership, Motivation and Communications Skills (Mgt Skills)

Producers

1. These are the business that make products to sell to customers.
2. They transform raw materials into finished products
3. their needs are Loyal Customers and they offer quality products

Suppliers

1. Suppliers are the business that supply the raw material needed to by the producer
2. Their needs are payment on time and they offer quality raw materials

Service Providers

1. These are the business that supply the services that are needed by the business
2. For example Electricity and Insurance
3. Their needs are loyal customers and the offer product and services

Consumers

1. are people who purchase goods from a business for their own use and/or for resale
2. Their needs are Quality products and their offer loyalty

Society

1. This is the local community where the business is located.
2. They want business to behave in a socially responsible manner and not to damage the environment
3. their needs are jobs and the offer responsible brand name

Government

1. They run the country and their policies affect business
2. The government wants business to Provide Jobs, Pay their taxes and Obey the Law
3. They need taxes and the offer grants

Business Relationships

Competitive Relationship - This type of relationship is one of win/lose. Only one party will win from the relationship. the stakeholder must compete to gain commercial advantage over the other used when dealing with rival firms

Co-operative Relationship - This type of relationship is one of win/win. Both parties will win from the relationship. Stakeholder work together in a mutual benefit and not against the stakeholder

Dynamic Relationship - is a relationship that can change over time. As the business grows the roles of the stakeholder can change

Interest Groups

Interest groups are organisations representing people (or stakeholders) who share a common goal or interest.

They are also known as pressure groups as they try to influence the decision of others by Lobbying, Negotiations and Boycotts

Examples include - IBEC, SFA, ISME, CCPC

Trade Associations Are business interest groups that represent business involved in similar types of business

Examples included - SIMI Society of the Irish Motor Industry (Garage and car dealers)

Resolving conflict

Non-Legislative

1. Talk
2. Negotiations

Legislative

1. Third party

Example of Relationships

<u>Stakeholder</u>	<u>Competitive</u>	<u>Co-operative</u>
Employee	Low wages	BIK
Investor	Misleading info	good ROI
Customers	Low quality	Loyalty
Suppliers	Low price	Fair conditions
Government	Taxes	Follow laws
Society	ignore needs	Goodwill

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PAST PEOPLE IN BUSINESS QUESTIONS

2018 - OUTLINE METHODS OF TERMINATING A CONTRACT

1. **Frustration** - Unforeseen event, something happens which makes it impossible to complete the contract
2. **Breach** - One party doesn't perform their contractual obligation, Breach of a condition - important element
3. **Agreement** - Both parties agree to end the contract and go back to the way thing were before head
4. **Performance** - Both parties do what they said they would do. The contract is executed to the terms

2018 - IMPACT OF TRADE DISPUTE ON STAKEHOLDERS

1. **Employees** - Not receive a wage, may result in financial hardship, employees may become unmotivated
2. **Customers** - Not being able to purchase goods and meet hoer needs, become disloyal and change brands
3. **Investors** - Bad publicity, share price may drop, profit may reduce less dividends, may sell shares
4. **Government** - Less income (PAYE, PRSI, USC) Business may close down - more social welfare payments
5. **Suppliers** - Credit may be extended, cash flow problems

2017 - EXPLAIN THE TERM COOPERATIVE RELATIONSHIP DESCRIBE AN EXAMPLE

Both parties work towards a common goal. It is a win/win both sides are better off

Employer/employee - Fair wage for a fair day's work

Investor and manager - Financial resource used effectively for a fair return of their investment

Producer/consumer - Brand loyalty for a quality product at a fair price

2015 - EXPLAIN A COOPERATIVE AND COMPETITIVE RELATION FOR THE FOLLOWING

Investor/entrepreneur - Cooperative - open honest information invest in the business. Competitive - Invests wants a return straight away downs invest

Supplier/purchasing manager - Cooperative - Provide good Quality product that are paid for on time. Competitive - Poor after sales service results in less ordering

2014 - Describe the role of any two interest groups

This is an organisation that represents the viewpoint of a particular group. Influence decision made by negotiation, lobbying and boycotting.

ICTU - Represents all Trade unions, Provides info. Assist in resolution Negotiate agreement with Gov and IBEC

IBEC - Represent Employers, Advise members of new EU Legislation

IFA - Lobbies Gov decision. Promote farming policies

2011 - OUTLINE THE RELATIONSHIPS BETWEEN INVESTORS AND ENTREPRENEURS

Cooperative - open honest and transparent information Investors give money in return for a dividend/return

Competitive - Entrepreneur uses profits to expand the business investor might want a return

Dynamic - The investor become a competitor of the they invest in

2009 - DISCUSS HOW CONSUMER CAN BENEFITS FROM A COMPETITIVE RELATIONSHIP BETWEEN PRODUCERS

Improved Quality
Improved customer service
Better choice of products
Better value for money

2008 - DESCRIBE A COMPETITIVE AND COOPERATIVE RELATIONSHIP BETWEEN TWO PRODUCERS ERS AND GIVE EXAMPLE

Competitive - Pursuing the same objectives, win/lose - e.g Prices for their product

Cooperative - Producer work together, win/win e.g lobby the government to solve problems of a mutual benefit