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Chapter 1 : How to Start a Home Organization Business: 10 Steps

A business organization is a person or a group of people working together in pursuit of the same commercial interest. To do this effectively, you must decide what type of business organization.

A business entity is an organization that uses economic resources or inputs to provide goods or services to customers in exchange for money or other goods and services. Business organizations come in different types and different forms of ownership. Service Business A service type of business provides intangible products products with no physical form. Service type firms offer professional skills, expertise, advice, and other similar products. Examples of service businesses are: Merchandising Business This type of business buys products at wholesale price and sells the same at retail price. They are known as "buy and sell" businesses. They make profit by selling the products at prices higher than their purchase costs. A merchandising business sells a product without changing its form. Manufacturing Business Unlike a merchandising business, a manufacturing business buys products with the intention of using them as materials in making a new product. Thus, there is a transformation of the products purchased. A manufacturing business combines raw materials, labor, and factory overhead in its production process. The manufactured goods will then be sold to customers. Hybrid Business Hybrid businesses are companies that may be classified in more than one type of business. A restaurant, for example, combines ingredients in making a fine meal manufacturing , sells a cold bottle of wine merchandising , and fills customer orders service. Nonetheless, these companies may be classified according to their major business interest. In that case, restaurants are more of the service type â€” they provide dining services. Forms of Business Organization These are the basic forms of business ownership: Sole Proprietorship A sole proprietorship is a business owned by only one person. It is easy to set-up and is the least costly among all forms of ownership. The owner faces unlimited liability; meaning, the creditors of the business may go after the personal assets of the owner if the business cannot pay them. The sole proprietorship form is usually adopted by small business entities. Partnership A partnership is a business owned by two or more persons who contribute resources into the entity. The partners divide the profits of the business among themselves. In general partnerships, all partners have unlimited liability. In limited partnerships, creditors cannot go after the personal assets of the limited partners. Corporation A corporation is a business organization that has a separate legal personality from its owners. Ownership in a stock corporation is represented by shares of stock. The board of directors, an elected group from the stockholders, controls the activities of the corporation. In addition to those basic forms of business ownership, these are some other types of organizations that are common today: An LLC is not incorporated; hence, it is not considered a corporation. Nonetheless, the owners enjoy limited liability like in a corporation. An LLC may elect to be taxed as a sole proprietorship, a partnership, or a corporation. Cooperative A cooperative is a business organization owned by a group of individuals and is operated for their mutual benefit. The persons making up the group are called members. Cooperatives may be incorporated or unincorporated. Some examples of cooperatives are: Online resource for all things accounting.

Chapter 2 : The Importance of Ethics in Organizations | blog.quintoapp.com

Business organization, an entity formed for the purpose of carrying on commercial blog.quintoapp.com an organization is predicated on systems of law governing contract and exchange, property rights, and incorporation.

Public Domain Starbucks Corporation Starbucks Coffee Company uses its organizational structure to facilitate business development in the global coffee industry. As the largest coffeehouse chain in the world, the company maintains its industry leadership partly through the appropriateness of its corporate structure. Starbucks evolves to ensure that its organizational structure matches current business needs. This structure fits within conventional typologies of organizational structures. Similar to the case of other multinational organizations, the company employs its structural characteristics to ensure that its operations are streamlined and properly managed. Starbucks Coffee Company supports its competitive advantages through the characteristics of its corporate structure. Through the effective design and development of its organizational structure, Starbucks Corporation keeps growing despite competitive pressure from these firms in the international market. In this case, the structural design involves intersections among various components of the business. Functional hierarchy Product-based divisions Teams Functional Hierarchy. For example, the company has an HR department, a finance department and a marketing department. This characteristic is hierarchical. The functional hierarchy of the corporate structure facilitates top-down monitoring and control, with the CEO at the top. The company has three regional divisions for the global market: Also, in the U. Each geographic division has a senior executive. In this way, each local manager reports to at least two superiors: Each division head is given flexibility in adjusting strategies and policies to suit specific market conditions. Starbucks has product-based divisions in its organizational structure. These divisions address product lines. For example, the company has a division for coffee and related products, another division for baked goods, and another division for merchandise like mugs. This feature of the corporate structure enables Starbucks to focus on product development. In this way, the company develops and innovates its products with support through its organizational structure. Such development provides competitiveness that the business needs, especially in considering the threats identified in the SWOT analysis of Starbucks Corporation. However, teams are most visible at the lowest organizational levels, particularly at the coffeehouses. Team effectiveness is a major determinant of the financial performance of franchised locations and company-owned coffeehouses. However, the ones enumerated above are the most significant in shaping strategic management decisions in the business. Also, different levels of the organization are responsible for maintaining the integrity of the corporate structure. By , the company was expanding rapidly, such that it shifted focus away from customers and toward strategic global expansion. However, the business experienced significant decline in sales in that year. This decline was worsened because of the lack of focus on customer experience. The current corporate structure of Starbucks is a result of reform to improve customer experience and business financial performance. The company recognizes the importance of strategic alignment involving various facets of the business. Its development history suggests that the company will continue acquiring more firms in the future to support its growth strategies. Characteristics of organizational structure relating to hybrid competitive strategy. An efficient frontier in organization design: Organizational structure as a determinant of exploration and exploitation. Howard Schultz and Starbucks Coffee Company. Using organizational structure to achieve marketing objectives. How knowledge management mediates the relationship between environment and organizational structure. Corporate structure, ownership and the likelihood of innovation. Selecting Corporate Structure for Diversified Firms. Briarcliff Manor, NY The empire filters back: Consumption, production, and the politics of Starbucks Coffee.

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Chapter 3 : Business organization | blog.quintoapp.com

Forms of Business Organization (provided by the Missouri Small Business and Technology Development Centers) One of the first decisions that you will have to make as a business owner is how the business should be structured.

A unifying framework for thinking about processes â€” or sequences of tasks and activities â€” that provides an integrated, dynamic picture of organizations and managerial behavior. Many modern organizations are functional and hierarchical; they suffer from isolated departments, poor coordination, and limited lateral communication. All too often, work is fragmented and compartmentalized, and managers find it difficult to get things done. Scholars have faced similar problems in their research, struggling to describe organizational functioning in other than static, highly aggregated terms. In the broadest sense, they can be defined as collections of tasks and activities that together â€" and only together â€" transform inputs into outputs. Within organizations, these inputs and outputs can be as varied as materials, information, and people. Common examples of processes include new product development, order fulfillment, and customer service; less obvious but equally legitimate candidates are resource allocation and decision making. Over the years, there have been a number of process theories in the academic literature, but seldom has anyone reviewed them systematically or in an integrated way. Process theories have appeared in organization theory, strategic management, operations management, group dynamics, and studies of managerial behavior. The few scholarly efforts to tackle processes as a collective phenomenon either have been tightly focused theoretical or methodological statements or have focused primarily on a single type of process theory. First, processes provide a convenient, intermediate level of analysis. Most studies have been straightforward descriptions of time allocation, roles, and activity streams, with few attempts to integrate activities into a coherent whole. A process approach, by contrast, emphasizes the links among activities, showing that seemingly unrelated tasks â€" a telephone call, a brief hallway conversation, or an unscheduled meeting â€" are often part of a single, unfolding sequence. From this vantage point, managerial work becomes far more rational and orderly. My aim here is to give a framework for thinking about processes, their impacts, and the implications for managers. I begin at the organizational level, reviewing a wide range of process theories and grouping them into categories. The discussion leads naturally to a typology of processes and a simple model of organizations as interconnected sets of processes. In the next section, I examine managerial processes; I consider them separately because they focus on individual managers and their relationships, rather than on organizations. I examine several types of managerial processes and contrast them with, and link them to, organizational processes, and identify their common elements. I conclude with a unifying framework that ties together the diverse processes and consider the implications for managers. Organizational Processes Scholars have developed three major approaches to organizational processes. They are best considered separate but related schools of thought because each focuses on a particular process and explores its distinctive characteristics and challenges. Davenport, Process Innovation Boston: Harvard Business School Press, , p. Any activity or group of activities that takes an input, adds value to it, and provides an output to an internal or external customer. McGraw-Hill, , p. Structure, Systems, and Process St. West, , p. It is shaped as much by the pattern of interaction of managers as it is by the contemplation and cognitive processes of the individual. Sage, , pp. Van de Ven and G. Work Processes The work process approach, which has roots in industrial engineering and work measurement, focuses on accomplishing tasks. It starts with a simple but powerful idea: These chains are called processes and can be conveniently grouped into two categories: Operational and administrative processes share several characteristics. Both involve sequences of linked, interdependent activities that together transform inputs into outputs. Both have beginnings and ends, with boundaries that can be defined with reasonable precision and minimal overlap. And both have customers, who may be internal or external to the organization. The primary differences between the two lie in the nature of their outputs. Typically, operational processes produce goods and services that external customers consume, while administrative processes generate information and plans that internal groups use. For this reason, the two are frequently considered independent, unrelated activities, even though they must usually be aligned and mutually supportive if the organization is to function effectively. The work processes approach is probably most familiar to managers. It draws heavily on the principles of the quality movement and reengineering. Despite these shared goals, the two movements are strikingly similar on some points, but diverge on others. The similarities begin with the belief that most existing work processes have grown unchecked, with little rationale or planning, and are therefore terribly inefficient. Hammer, for example, has observed: Many of our procedures were not designed at all; they just happened. In fact, both implicitly equate process improvement with process management. They also suggest the use of similar tools, such as process mapping and data modeling, as well as common rules of thumb for identifying improvement opportunities. Their role is to ensure integration and overcome traditional functional loyalties; for this reason, relatively senior managers are usually assigned the task. The quality movement, for the most part, argues for incremental improvement. Improvements are continuous and relatively small scale. Reengineering, by contrast, calls for radical change. Quality experts, drawing on their experience with statistical process control in manufacturing, argue that well-managed work processes must be fully documented, with clearly defined control points. Reengineering experts, on the other hand, are virtually silent about measurement and control. They draw on a different tradition, information technology, that emphasizes redesign rather than control. The work processes perspective has led to a number of important insights for managers. It provides an especially useful framework for addressing a common organizational problem: Many aspects of modern organizations make integration difficult, including complexity, highly differentiated subunits and roles, poor informal relationships, size, and physical distance. In addition, the work processes perspective provides new targets for improvement. Rather than focusing on structures and roles, managers address the underlying processes. An obvious advantage is that they closely examine the real work of the organization. The results, however, have been mixed, and experts estimate that a high proportion of these programs have failed to deliver the expected gains. My analysis suggests several reasons for failure. Most improvement programs have focused exclusively on process redesign; the ongoing operation and management of the reconfigured processes have usually been neglected. Yet even the best processes will not perform effectively without suitable oversight, coordination, and control, as well as occasional intervention. In addition, operational processes have usually been targeted for improvement, while their supporting administrative processes have been overlooked. Incompatibilities and inconsistencies have arisen when the information and plans needed for effective operation were not forthcoming. A few companies have used the work processes approach to redefine their strategy and organization. The most progressive have blended a horizontal process orientation with conventional vertical structures. Sign up Please enter a valid email address Thank you for signing up Privacy Policy Behavioral Processes The behavioral process approach, which has roots in organization theory and group dynamics, focuses on ingrained behavior patterns. The underlying behavior patterns are normally so deeply embedded and recurrent that they are displayed by most organizational members. They also have enormous staying power. They are generalizations, distilled from observations of everyday work and have no independent existence apart from the work processes in which they appear. This makes them difficult to identify but explains their importance. Behavioral processes profoundly affect the form, substance, and character of work processes by shaping how they are carried out. They are different, however, from organizational culture because they reflect more than values and beliefs. Behavioral processes are the sequences of steps used for accomplishing the cognitive and interpersonal aspects of work. New product development processes, for example, may have roughly similar work flows yet still involve radically different patterns of decision making and communication. All involve the collection, movement, and interpretation of information, as well as forms of interpersonal interaction. In most cases, the associated behaviors are learned informally, through socialization and on-the-job experience, rather than through formal education and training programs. Of all behavioral processes, decision making has been the most carefully studied. The roots go back to the research and writings of Chester Barnard and Herbert Simon, who argued that organizational decision making was a distributed activity, extending over time, involving a number of people. This, in itself, is still a surprising insight for many managers. All too often, they see decision making as their personal responsibility, rather than as a shared, dispersed activity that they must orchestrate and lead. For the most part, the results of these studies have been equivocal. Efforts to produce a simple linear flow model of decision making â€” in the same way that work processes can be diagrammed using process flow charts â€” have had limited success. Witte, for example, studied the purchase process for new computers and found that very few decisions â€” 4 of â€” corresponded to a standard, five-phase, sequential process. He concluded that simultaneous rather than sequenced processes were the norm: They cannot avoid evaluating these alternatives immediately, and in doing this, they are forced to a decision. This is a package of operations. A second group of scholars adopted a more focused approach. Each studied a particular kind of decision, usually involving large dollar investments, to identify the constituent activities, subprocesses, and associated management roles and responsibilities, as well as the contextual factors shaping the process. Much of this research has examined the resource allocation process, with studies of capital budgeting, foreign investments, strategic planning, internal corporate venturing, and business exit. First, it has forced scholars to acknowledge the simultaneous, multilevel quality of decision processes. While sequential stages can be specified, they are incomplete as process theories and must be supplemented by detailed descriptions of the interaction of activities, via subprocesses, across organizational levels and through time. Bower, for example, identified three major components of the resource allocation process â€” definition the development of financial goals, strategies, and product-market plans , impetus the crafting, selling, and choice of projects , and determination of context the creation of structures, systems, and incentives guiding the process â€” and then went on to describe the linkage among these activities and the interdependent roles of corporate, divisional, and middle managers. Second, this body of research focused attention on the way that managers shape and influence decision processes. While behavioral processes like decision making have great autonomy and persistence, they can, according to this line of research, be shaped and directed by managerial action.

Chapter 4 : Business - Wikipedia

A business can be organized in one of several ways, and the form its owners choose will affect the company's and owners' legal liability and income tax treatment.

General economic conditions set the tone for all parts of the economy. Good forecasting for an industry or firm begins, therefore, with a good analysis of the overall economy. Within this framework, the analyst must then take account of the particular factors that areâ€¦ Types of business associations Business associations have three distinct characteristics: The first feature, plurality of membership, distinguishes the business association from the business owned by one individual; the latter does not need to be regulated internally by law, because the single owner totally controls the assets. Because the single owner is personally liable for debts and obligations incurred in connection with the business, no special rules are needed to protect its creditors beyond the ordinary provisions of bankruptcy law. The second feature, the possession of distinct assets or a distinct patrimony , is required for two purposes: The assets of an association are contributed directly or indirectly by its membersâ€"directly if a member transfers a business or property or investments of his own to the association in return for a share in its capital , and indirectly if a member pays his share of capital in cash and the association then uses his contribution and like contributions in cash made by other members to purchase a business, property, or investments. The third essential feature, a system of management , varies greatly. In a simple form of business association the members who provide the assets are entitled to participate in the management unless otherwise agreed. The role of a member of a company or corporation is basically passive; he is known as a shareholder or stockholder , the emphasis being placed on his investment function. The managers of a business association, however, do not in law comprise all of the persons who exercise discretion or make decisions. Even the senior executives of large corporations or companies may be merely employees, and, like manual or clerical workers, their legal relationship with the corporation is of no significance in considering the law governing the corporation. Partnerships The distinguishing features of the partnership are the personal and unrestricted liability of each partner for the debts and obligations of the firm whether he assented to their being incurred or not and the right of each partner to participate in the management of the firm and to act as an agent of it in entering into legal transactions on its behalf. Such limited partners are prohibited from taking part in the management of the firm, however; if they do, they become personally liable without limit for the debts of the firm, together with the general partners. English common law refused to recognize the limited partnership, and in the United States at the beginning of the 19th century only Louisiana, which was governed by French civil law , permitted such partnerships. During the 19th century most of the states enacted legislation allowing limited partnerships to be formed, and in Great Britain adopted the limited partnership by statute, but it has not been much used there in practice. Another distinction between kinds of partnership in civil lawâ€"one that has no equivalent in Anglo-American common-law countriesâ€"is that between civil and commercial partnerships. These codes always make manufacturing, dealing in, and transporting goods commercial activities, while professional and agricultural activities are always noncommercial. Consequently, a partnership of lawyers, doctors, or farmers is a civil partnership, governed exclusively by the civil code of the country concerned and untouched by its commercial code. Limited-liability companies , or corporations The company or corporation, unlike the partnership, is formed not simply by an agreement entered into between its first members; it must also be registered at a public office or court designated by law or otherwise obtain official acknowledgment of its existence. English and American law, together with the laws of the Netherlands and the Scandinavian countries , provide only one category of business company or corporation in the Netherlands the naamloze vennootschap, in Sweden the aktiebolag , although all these systems of law make distinctions for tax purposes between private, or close, companies or corporations on the one hand and public companies or corporations on the other. English law also distinguishes between private and public companies for some purposes of company law; for example, a private company cannot have more than 50 members and cannot advertise subscriptions for its shares. For practical purposes, however, public and private companies function the same way in all countries. Public companies are formedâ€”or more usually created by the conversion of private companies into public onesâ€”when the necessary capital cannot be supplied by the directors or their associates and it is necessary to raise funds from the public by publishing a prospectus. In Great Britain, the Commonwealth countries, and the United States, this also requires the obtaining of a stock exchange listing for the shares or other securities offered or an offer on the Unlisted Securities Market USM. In a typical public company the directors hold only a small fraction of its shares, often less than 1 percent, and in Great Britain and the United States, at least, it is not uncommon for up to one-half of the funds raised by the company to be represented not by shares in the company but by loan securities such as debentures or bonds. In Anglo-American common-law countries, public and private companies account for most of the business associations formed, and partnerships are entered into typically only for professional activities. In European countries the partnership in both its forms is still widely used for commercial undertakings. In Germany a popular form of association combines both the partnership and the company. This is the G. Shares and other securities Under all systems of law a partner may assign his share or interest in a partnership to anyone he wishes unless the partnership agreement forbids this, but the assignment does not make the assignee a partner unless all the other partners agree. If they do not, the assignee is merely entitled to receive the financial benefits attached to the share or interest without being able to take part in the management of the firm, but neither is he personally liable for the debts of the firm. The shares of a company are quite different. The constitution of an English private company must always restrict the transfer of its shares for the company to qualify as private. The restriction is usually that the directors may refuse to register a transfer for any of several reasons or that the other shareholders shall have the right to buy the shares at a fair price when their holder wishes to sell. In American law similar restrictions may be imposed, but unreasonable restrictions are disallowed by the courts. According to French and German law, the transfer of shares in public companies may be restricted only by being made subject to the consent of the board of directors or of the management board, but under French law, if the directors do not find an alternative purchaser at a fair price within three months, their consent is considered as given. Limited liability The second significant difference between share holding and partnership is that shares in a company do not expose the holder to unlimited liability in the way that a partner other than a limited one is held liable for the debts of the firm. Under all systems of law, except those of Belgium and some U. A company may issue shares for a price greater than this nominal value the excess being known as a share premium , but it generally cannot issue them for less. Usually the subscription price of shares is paid to the company fairly soon after they are issued. The period for payment of all the installments is rarely more than a year in common-law countries, and it is not uncommon for the whole subscription price to be payable when the shares are issued. Although directors have a duty to obtain the best subscription price possible, they can offer new shares to existing shareholders at favourable prices, and those shareholders can benefit either by subscribing for the new shares or by selling their subscription rights to other persons. Under European legislation, directors are bound to offer new shares to existing shareholders in the first place unless they explicitly forgo their preemptive rights. Thus, most national law recognizes potential conflict of interest between directors and shareholders. Classes of shares Companies may issue shares of different classes, the commonest classes being ordinary and preference, or, in American terminology, common and preferred shares. Preference shares are so called because they are entitled by the terms on which they are issued to payment of a dividend of a fixed amount usually expressed as a percentage of their nominal value before any dividend is paid to the ordinary shareholders. The accumulation of arrears of preference dividend depreciates the value of the ordinary shares, whose holders cannot be paid a dividend until the arrears of preference dividend have been paid. Preference shares are not common in Europe, but under German and Italian law they have the distinction of being the only kind of shares that can be issued without voting rights in general meetings, all other shares carrying voting rights proportionate to their nominal value by law. History of the limited-liability company The limited-liability company, or corporation, is a relatively recent innovation. Only since the midth century have incorporated businesses risen to ascendancy over other modes of ownership. Thus, any attempt to trace the forerunners of the modern corporation should be distinguished from a general history of business or a chronicle of associated activity. Men have embarked on enterprises for profit and have joined together for collective purposes since the dawn of recorded history, but these early enterprises were forerunners of the contemporary corporation in terms of their functions and activities, not in terms of their mode of incorporation. When a group of Athenian or Phoenician merchants pooled their savings to build or charter a trading vessel, their organization was not a corporation but a partnership; ancient societies did not have laws of incorporation that delimited the scope and standards of business activity. The corporate form itself developed in the early Middle Ages with the growth and codification of civil and canon law. Several centuries passed, however, before business ownership was subsumed under this arrangement. The first corporations were towns, universities, and ecclesiastical orders. These differed from partnerships in that the corporation existed independently of any particular membership. The holdings of a monastery, for example, belonged to the order itself; no individual owned shares in its assets. The same was true of the medieval guilds , which dominated many trades and occupations. As corporate bodies, they were chartered by government, and their business practices were regulated by public statutes; each guild member, however, was an individual proprietor who ran his own establishment, and, while many guilds had substantial properties, these were the historic accruals of the associations themselves. Originally applied to guilds and municipalities, this principle set limits on how much an alderman of the Liverpool Corporation, for example, might be called upon to pay if the city ran into debt or bankruptcy. Incorporation of business enterprises began in England during the Elizabethan era. This was a period when businessmen were beginning to accumulate substantial surpluses, and overseas exploration and trade presented expanded investment opportunities. This was an age that gave overriding regulatory powers to the state, which sought to ensure that business activity was consonant with current mercantilist conceptions of national prosperity. Thus, the first joint-stock companies, while financed with private capital, were created by public charters setting down in detail the activities in which the enterprises might operate. The East India Company was bestowed a trading monopoly in its territories and also was given authority to make and enforce laws in the areas it entered. The same principle held with the colonial charters on the American continent. But, while British investors accepted the regulations inhering in their charters, American entrepreneurs came to regard such rules as repressive and unrealistic. War of Independence can be interpreted as a movement against the tenets of this mercantile system, raising serious questions about a direct tie between business enterprise and public policy. One result of that war, therefore, was to establish the premise that a corporation need not show that its activities advance a specific public purpose. Alexander Hamilton , the first secretary of the treasury and an admirer of Adam Smith , took the view that businessmen should be encouraged to explore their own avenues of enterprise. The growth of independent corporations did not occur overnight. For a long time, both in Europe and in the United States, the corporate form was regarded as a creature of government, providing a form of monopoly. In the United States the new state legislatures granted charters principally to public-service companies intending to build or operate docks, bridges, turnpikes, canals, and waterworks, as well as to banks and insurance companies. Of the companies receiving charters prior to , only 13 were firms engaging in commerce or manufacturing. By , however, New York had adopted a general act of incorporation, setting the precedent that businessmen had only to provide a summary description of their intentions for permission to launch an enterprise. In Great Britain after the statutes were gradually liberalized so that the former privilege of incorporating joint-stock companies became the right of any group complying with certain minimum conditions, and the principle of limited liability was extended to them. A similar development occurred in France and parts of what is now Germany. By the late 20th century, in terms of size, influence, and visibility, the corporation had become the dominant business form in industrial nations. While corporations may be large or small, ranging from firms having hundreds of thousands of employees to neighbourhood businesses of very modest proportions, public attention increasingly focused on the several hundred giant companies that play a preponderant economic role in the United States, Japan, South Korea , the nations of western Europe, Canada, Australia, New Zealand , South Africa , and several other countries. These firms not only occupy important positions in the economy but have great social, political, and cultural influence as well. Both at home and abroad they affect the operations of national and local governments, give shape to local communities , and influence the values of ordinary individuals. Therefore, while in fact and in law corporate businesses are private enterprises, their activities have consequences that are public in character and as pervasive as those of many governments. Other forms of business association Besides the partnership and the company or corporation, there are a number of other forms of business association, of which some are developments or adaptations of the partnership or company, some are based on contract between the members or on a trust created for their benefit, and others are statutory creations. The essential features of these associations are that they provide for the small or medium investor. Although they originated as contractual associations, they are now governed in most countries by special legislation and not by the law applicable to companies or corporations. The establishment and management of cooperatives is treated in most countries under laws distinct from those governing other business associations. The cooperative is a legal entity but typically is owned and controlled by those who use it or work in it, though there may be various degrees of participation and profit sharing. The essential point is that the directors and managers are accountable ultimately to the enterprise members, not to the outside owners of capital. This form is rooted in a strong sense of social purpose; it was devised more than a century ago as an idealistic alternative to the conventional capitalist business association. It has been particularly associated with credit, retailing, agricultural marketing , and crafts. The third class of associations, those wholly created by statute, comprises corporations formed to carry on nationalized business undertakings such as the Bank of England and the German Federal Railways or to coexist with other businesses in the same field such as the Italian Istituto per la Ricostruzione Industriale or to fulfill a particular governmental function such as the Tennessee Valley Authority. Such statutory associations usually have no share capital, though they may raise loans from the public. They are regarded in European law as being creatures of public law, like departments and agencies of the government. In only France and Italy are there special rules governing such associations; in the United Kingdom and Germany they are subject to the ordinary rules of company law. Page 1 of 2.

Chapter 5 : Organization | Definition of Organization by Merriam-Webster

A business entity is an organization that uses economic resources or inputs to provide goods or services to customers in exchange for money or other goods and services. Business organizations come in different types and different forms of ownership.

List of business entities Forms of business ownership vary by jurisdiction , but several common entities exist: A sole proprietorship , also known as a sole trader, is owned by one person and operates for their benefit. The owner operates the business alone and may hire employees. A sole proprietor has unlimited liability for all obligations incurred by the business, whether from operating costs or judgments against the business. All assets of the business belong to a sole proprietor, including, for example, computer infrastructure, any inventory , manufacturing equipment, or retail fixtures , as well as any real property owned by the sole proprietor. A partnership is a business owned by two or more people. In most forms of partnerships, each partner has unlimited liability for the debts incurred by the business. The three most prevalent types of for-profit partnerships are: The owners of a corporation have limited liability and the business has a separate legal personality from its owners. Corporations can be either government-owned or privately owned. They can organize either for profit or as nonprofit organizations. A privately owned, for-profit corporation is owned by its shareholders , who elect a board of directors to direct the corporation and hire its managerial staff. A privately owned, for-profit corporation can be either privately held by a small group of individuals, or publicly held , with publicly traded shares listed on a stock exchange. Often referred to as a "co-op", a cooperative is a limited-liability business that can organize as for-profit or not-for-profit. A cooperative differs from a corporation in that it has members, not shareholders, and they share decision-making authority. Cooperatives are typically classified as either consumer cooperatives or worker cooperatives. Cooperatives are fundamental to the ideology of economic democracy. Limited liability companies LLC , limited liability partnerships, and other specific types of business organization protect their owners or shareholders from business failure by doing business under a separate legal entity with certain legal protections. In contrast, unincorporated businesses or persons working on their own are usually not as protected. A franchise is a system in which entrepreneurs purchase the rights to open and run a business from a larger corporation. One out of twelve retail businesses in the United States are franchised and 8 million people are employed in a franchised business. Commonly used where companies are formed for noncommercial purposes, such as clubs or charities. The members guarantee the payment of certain usually nominal amounts if the company goes into insolvent liquidation , but otherwise, they have no economic rights in relation to the company. This type of company is common in England. A company limited by guarantee may be with or without having share capital. A company limited by shares: The most common form of the company used for business ventures. Specifically, a limited company is a "company in which the liability of each shareholder is limited to the amount individually invested" with corporations being "the most common example of a limited company. A company limited by shares may be a privately held company A company limited by guarantee with a share capital: A hybrid entity, usually used where the company is formed for noncommercial purposes, but the activities of the company are partly funded by investors who expect a return. This type of company may no longer be formed in the UK, although provisions still exist in law for them to exist. Like a corporation, it has limited liability for members of the company, and like a partnership it has "flow-through taxation to the members" and must be "dissolved upon the death or bankruptcy of a member". A hybrid entity, a company where the liability of members or shareholders for the debts if any of the company are not limited. In this case doctrine of a veil of incorporation does not apply. Less common types of companies are: Companies formed by letters patent: Most corporations by letters patent are corporations sole and not companies as the term is commonly understood today. Before the passing of modern companies legislation, these were the only types of companies. Now they are relatively rare, except for very old companies that still survive of which there are still many, particularly many British banks , or modern societies that fulfill a quasi-regulatory function for example, the Bank of England is a corporation formed by a modern charter. Relatively rare today, certain companies have been formed by a private statute passed in the relevant jurisdiction. In a company limited or unlimited by shares formed or incorporated with a share capital , this will be the shareholders. In a company limited by guarantee, this will be the guarantors. Some offshore jurisdictions have created special forms of offshore company in a bid to attract business for their jurisdictions. Examples include " segregated portfolio companies " and restricted purpose companies. There are, however, many, many sub-categories of types of company that can be formed in various jurisdictions in the world. Companies are also sometimes distinguished for legal and regulatory purposes between public companies and private companies. Private companies do not have publicly traded shares, and often contain restrictions on transfers of shares. In some jurisdictions, private companies have maximum numbers of shareholders. A parent company is a company that owns enough voting stock in another firm to control management and operations by influencing or electing its board of directors; the second company being deemed as a subsidiary of the parent company. The definition of a parent company differs by jurisdiction, with the definition normally being defined by way of laws dealing with companies in that jurisdiction. Industry classification Agriculture , such as the domestication of fish, animals and livestock, as well as lumber , oil and mining businesses that extract natural resources and raw materials, such as wood , petroleum , natural gas , ores , plants or minerals.

Chapter 6 : 5 Organizational Structure Examples | Which to use?

Control Systems Control systems are Measurement Systems Measure performance of subunits Make judgments about how well managers are running those subunits Appropriate?

Ethics issues and how any organization practices ethics are more important than ever because social media readily exposes issues that might have been swept aside in previous generations. Positive Corporate Culture An organization devoting resources to developing policies and procedures that encourage ethical actions builds a positive corporate culture. Team member morale improves when employees feel protected against retaliation for personal beliefs. These policies include anti-discriminatory rules, open door policies and equal opportunities for growth. When employees feel good about being at work, the overall feeling in the organization is more positive. This breeds organizational loyalty and productivity, because employees feel good about showing up for work. Consumer Confidence An organization can lose consumer confidence very quickly with a few bad online reviews. Organizations have to retain consumer loyalty through ethical practices that start with fair and honest advertising methods and continue through the entire sales process. One area that organizations can lose consumer confidence is failing to honor guarantees or negatively deal with complaints. This is why consistent policies and employee training is imperative. Companies must direct employees on how to treat customers according to its core values. When an organization takes the time to identify what is important to consumers and its target market, it is better able to set value statements and protocols to meet higher ethical standards. For example, a coffee distributor that focuses on fair trade and farming sustainability, builds a brand supporting environmental and social responsibility. The first liability is a reduction in sales. For example, a real estate development company can lose customer interest and sales if its development reduces the size of an animal sanctuary. Finding an ethically responsible middle ground is imperative to sway public opinion away from corporate greed and toward environmental responsibility. The second area of financial liability exists with potential lawsuits. No organization is exempt from a disgruntled employee or customer who claims discrimination. Sexual discrimination in the workplace is costing CEOs, politicians and celebrities their livelihood because they are not appropriately dealing with accusations and harassment claims. Organizations must maintain policies and procedures addressing various types of harassment and discrimination. Moreover, organizations must remain consistent in the execution of policies dealing with accusations. This helps reduce frivolous lawsuits that could bankrupt smaller organizations. References 2 Market Watch: The damaging, incalculable price of sexual harassment About the Author With more than 15 years of small business ownership including owning a State Farm agency in Southern California, Kimberlee understands the needs of business owners first hand. When not writing, Kimberlee enjoys chasing waterfalls with her son in Hawaii.

Chapter 7 : Business Plan: Your Organizational And Operating Plan

Corporations - Thompson Outline- Fall I. Basic Business Organization Concepts A. The Role of Economics & Government- a number of governmental and economic factors play a role in if and how organizations decide to do business.

Without an execution strategy, the rest of your plan is meaningless. Like the Marketing Plan, your Operational Plan is essential to the success of your business. It will be important not just to would-be lenders and investors, but also to you, to management and to your employees. A key difference between an Operational Plan you would prepare for internal use and one you will give to potential lenders and investors is that you do not need as much detail in the latter. Here are the key components to address in an operations plan that will be used externally. Location In the business description, you provided the address where your business will be or already is located. If you have a retail location, describe the surrounding area and explain what makes this location effective. For example, you might be located on a major road that people drive on the way home from work, making it convenient for them to pick up groceries or a hot prepared meal on the way home. If your business only has an online presence â€" perhaps you run a service that dispatches independent contractors to clean homes â€" explain who operates the website and handles customer service, from where and why that arrangement makes sense. Also describe where your contractors live and how quickly they can reach your customers. Note any disadvantages or possible problems presented by your location and what, if anything, you have done or will do to counteract these negatives. Does traffic back up so badly on the road where your store is located that cars struggle to exit the parking lot during rush hour? Do you have enough parking spaces to handle peak volume? For an online business that uses independent contractors, what are the drawbacks associated with not having all your employees operating from a single location? What are the advantages? State whether you own or lease the property your business operates out of and provide the terms of your mortgage or lease. Present information such as the monthly payment, the length of the term, whether you are legally able to sublet and the terms of the early termination clause. If you rent, state whether your lease is net, double net, or triple net â€" in other words, is it you or the landlord who will be responsible for property taxes, insurance and maintenance? If your company is responsible for any of these items, how much do they cost? Provide details such as the square footage of the property, how your store or facility is laid out, what type of loading area it has to receive merchandise if applicable and the number and location of parking spaces. Also provide data about vehicle and pedestrian traffic, accessibility from major roads and highways, related nearby businesses that provide synergy or competition, and anything else that affects your location. If your business has more than one location, be sure to describe each one. Also discuss the major fixtures and equipment your business requires and how they integrate with your space. Note whether you are likely to outgrow the space, and if so, how you plan to handle a move or expansion. Supply and Inventory Management If you sell a product, the inputs that go into making it will be your supplies and the final product will be your inventory. Who will your suppliers be? Do you have multiple options available, or are you beholden to a single supplier, which may subject you to shortages and give you little bargaining power with regard to price and delivery schedule? What terms have you established with your suppliers? For example, do you pay cash on delivery, or do you have 10 days or even 30 days to pay? Do you get a discount for early payment? What kind of reputation do your suppliers have? Will they extend credit to your business, and if so, how much and on what conditions? Can you return unused supplies and if so, within what timeframe? What percentage of the purchase price will be refunded? Having good relationships with your suppliers can help you manage your inventory effectively. If you operate a service business, your workers are your supply. Have you hired enough contractors to meet the demand for your cleaning service? How do you check out their credentials and backgrounds to ensure that your customers receive a high quality work product and that your cleaners do not assault them or steal from them? Do you pay higher rates at times of higher demand to entice more contractors to work for you? Describe each major stage, including any processes that are outsourced and the technologies you use, remembering that you are writing for someone who may not understand the acronyms and terms of art common in your industry. Detail what you will produce, how much of it you will produce and how long it takes to produce each unit. In the case of a grocery store, you may not be producing anything unless you cook things in store , but you will certainly be distributing them. The same is true for a cleaning service â€" how will you match up homeowners who want their houses cleaned and landlords and tenants who want their apartments cleaned with your pool of workers? How will you match workers by level of skill and experience and distance from the client with the jobs you send them on? Consider any arrangements that are already in place, and how you will get your product to the stores. You should also consider how and why these arrangements will work. In which types of stores will your fair-trade, organic cotton dresses will do well? Where have you already sold them and how have those plans worked out? Include an organization chart showing the hierarchical structure of your business. How will you measure employee and management performance and reward them accordingly or let them go if needed? Your organizational plan should provide names and professional descriptions of each owner and manager your business will have; include the bios and professional backgrounds of all principals. The description of each top-level member of your organization should explain what their roles and responsibilities will be in your company and what they have done previously. You will want to emphasize how their backgrounds have prepared them to take on the challenge of running your new startup, and how they will help your current business succeed. For example, perhaps your chief operating officer previously worked for a company that used a network of independent contractors to provide handyman services. The company operated in a way similar to how your cleaning business will operate and he successfully sold the business for a profit after five years. You know how to improve on the model of your former employer to create a superior offering. In addition to your managers, what other essential jobs are there in your company, and which key employees will perform them? What qualifications do they have to excel at these jobs? Provide cross references in your descriptions to the appendix, where you will include detailed business resumes for yourself and for each of these individuals. Lower-level staff members, if you plan to hire any, are important enough to mention in your business plan because they will be essential to the smooth functioning of your business. Explain how you will locate potential employees and what qualifications they must meet, what jobs they will perform, how you will compensate them and so on. Think about the information you would include if you were advertising one of these job openings, and include that in your business plan. Also note whether your business will hire any outside consultants or other independent contractors. What functions they will perform? Finally, describe any positions you might want to add in the future if your business is successful enough to expand â€" managers for additional stores, for example. Depending on how much information you need to present, you may want to separate the organizational plan from the operating plan. But if your business is extremely small, the organization plan will be quite short.

Chapter 8 : What is an LLC? | blog.quintoapp.com

When you have decided which business is right for you, you will have three important decisions to make. In this session you will discover: whether to go into business alone or with a partner; the type of business organization to use; and what professional advisors to select. It is best to make your.

Matrix management This organisational type assigns each worker two bosses in two different hierarchies. One hierarchy is "functional" and assures that each type of expert in the organisation is well-trained, and measured by a boss who is super-expert in the same field. The other direction is "executive" and tries to get projects completed using the experts. Projects might be organised by products, regions, customer types, or some other schemes. As an example, a company might have an individual with overall responsibility for products X and Y, and another individual with overall responsibility for engineering, quality control, etc. Therefore, subordinates responsible for quality control of project X will have two reporting lines. Pyramids or hierarchical[edit] A hierarchy exemplifies an arrangement with a leader who leads other individual members of the organisation. This arrangement is often associated with basis that there are enough imagine a real pyramid, if there are not enough stone blocks to hold up the higher ones, gravity would irrevocably bring down the monumental structure. So one can imagine that if the leader does not have the support of his subordinates, the entire structure will collapse. Hierarchies were satirised in The Peter Principle , a book that introduced hierarchiology and the saying that "in a hierarchy every employee tends to rise to his level of incompetence. Organizational theory In the social sciences, organisations are the object of analysis for a number of disciplines, such as sociology , economics , [2] political science , psychology , management , and organisational communication. The broader analysis of organisations is commonly referred to as organisational structure , organisational studies , organisational behaviour , or organisation analysis. A number of different perspectives exist, some of which are compatible: From a functional perspective, the focus is on how entities like businesses or state authorities are used. From an institutional perspective, an organisation is viewed as a purposeful structure within a social context. From a process-related perspective, an organisation is viewed as an entity is being re- organised, and the focus is on the organisation as a set of tasks or actions. Sociology can be defined as the science of the institutions of modernity ; specific institutions serve a function , akin to the individual organs of a coherent body. In the social and political sciences in general, an "organisation" may be more loosely understood as the planned, coordinated and purposeful action of human beings working through collective action to reach a common goal or construct a tangible product. This action is usually framed by formal membership and form institutional rules. Sociology distinguishes the term organisation into planned formal and unplanned informal i. Sociology analyses organisations in the first line from an institutional perspective. In this sense, organisation is an enduring arrangement of elements. These elements and their actions are determined by rules so that a certain task can be fulfilled through a system of coordinated division of labour. Economic approaches to organisations also take the division of labour as a starting point. The division of labour allows for economies of specialisation. Increasing specialisation necessitates coordination. From an economic point of view, markets and organisations are alternative coordination mechanisms for the execution of transactions. By coordinated and planned cooperation of the elements, the organisation is able to solve tasks that lie beyond the abilities of the single elements. The price paid by the elements is the limitation of the degrees of freedom of the elements. Advantages of organisations are enhancement more of the same , addition combination of different features and extension. Disadvantages can be inertness through co-ordination and loss of interaction. Among the theories that are or have been influential are: Activity theory is the major theoretical influence, acknowledged by de Clodomir Santos de Morais in the development of Organisation Workshop method. Actorâ€”network theory , an approach to social theory and research, originating in the field of science studies, which treats objects as part of social networks. Complexity theory and organisations , the use of complexity theory in the field of strategic management and organisational studies. Contingency theory , a class of behavioural theory that claims that there is no best way to organize a corporation, to lead a company, or to make decisions. Critical management studies , a loose but extensive grouping of theoretically informed critiques of management, business, and organisation, grounded originally in a critical theory perspective Economic sociology , studies both the social effects and the social causes of various economic phenomena. Enterprise architecture , the conceptual model that defines the coalescence of organisational structure and organisational behaviour. Garbage Can Model , describes a model which disconnects problems, solutions and decision makers from each other. Principalâ€”agent problem , concerns the difficulties in motivating one party the "agent" , to act in the best interests of another the "principal" rather than in his or her own interests Scientific management mainly following Frederick W. Taylor , a theory of management that analyses and synthesises workflows. Social entrepreneurship , the process of pursuing innovative solutions to social problems. Transaction cost theory , the idea that people begin to organise their production in firms when the transaction cost of coordinating production through the market exchange, given imperfect information, is greater than within the firm.

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Chapter 9 : What Is the Meaning of Business Organization? | blog.quintoapp.com

A global electronics manufacturer seemed to live in a perpetual state of re-organization. Introducing a new line of communication devices for the Asian market required reorienting its sales, marketing, and support functions. Migrating to cloud-based business applications called for changes to the IT.

An organized business is a productive business. You may not consider yourself blessed with natural organizational skills, but now is the perfect time to get your business and work space organized. Below are 10 tips to help you do that and get on track in the new year. Clutter exists because we think that everything is important. With the new year, toss out whatever is outdated, no longer relevant or a duplicate. Recycle the broken electronics you may have stashed in a closet. Delete all those old voice messages. Organize Your Paper Files One study found that the average person wastes over 4 hours per week searching for papers. For example, Google Drive lets you store up to 15GB for free, while giving clients or colleagues access to collaborate. Other tools include Dropbox and Box. By housing files in the cloud, you can help clean up your personal storage, as well as save valuable time spent emailing documents back and forth when collaborating with others. It is possible to manage your email inbox so you only see the messages you still need to deal with and everything else is neatly archived for safe keeping. Start with a clean slate by filing away everything you no longer need to respond to. Next, tame the level of new emails you get each day by unsubscribing to newsletters or other subscriptions you no longer read. Get the Right Note-Taking Tool One key to staying organized and effective as a small business owner is having the right solution for jotting down any tasks or inspirations when they strike. Your social media profiles can also become clogged and out of date. First, take stock of where your business has a social presence and drop any accounts that are no longer in use. Make an appointment with a CPA or tax advisor early in the year. Take Charge of Your Books If you run a small business, you already have some kind of process in place for invoicing, processing payments, recording expenses and tracking projects. Did you get a Tax ID number? Are all your licenses and local permits in order? Did you make any changes to your corporation and LLC and still need to file an Articles of Amendment to record those changes with the state? What other tips can you offer to get your business organized this year?