

Meeting stakeholder needs and goals in business



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Executive Summary

The purpose of this research is to evaluate and provide solutions to a small business enterprise (Sumciouz Pastry) in terms of how they can perform and meet the needs of the different stakeholders that are affected by the business as well as developing and implementing techniques and plans to meet their goals. The senior partner (researcher) of the business consulting firm (Quality Innovators Consulting Agency) will assist the clients (private

partners) who are in the process of purchasing the enterprise. The research will be presented in the form of a report.

The researcher is to conduct a research for a group of small investors in the purchasing of a small business enterprise. This research can help investors and stakeholders in varying organizations and business industry to extend their knowledge of how their organizations can improve their operations through effective and efficient decision-making, planning and development of effective strategies in order for their businesses to progress. As a student pursuing a career in the field of business this research will serve to increase my knowledge in the capacity of assessing how different methods and planning can help businesses maintain its viability and is successful.

The research design was a quantitative research collected by secondary data gathering. The internet and books were used as it was convenient and effective in the collection of data. The data generated was analyzed and reflected in the results of the report. Due to the fact that the research was that of a quantitative one in nature, the research maybe lacking in terms of getting primary information that would have yield more insight into the research. The researcher found that the business was hampered at times in relation to improving on its business and its operations based on the increase in interest rates at lending agencies. The researcher recommends that the business to seek and find more avenues that are available to assist them in terms of lending so as to allow the business to be able to progress as it want to and to ensure that it makes decisions that are effective in seeing increased productivity for the business so that due to the type of economic system that it is operating within.

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Discussion and Analysis

LO2 Understand the nature of the national environment in which businesses operate

2. 1 Explain how economic systems attempt to allocate resources effectively

Economic systems are effectively used to allocate resources effectively and efficiently throughout an economy. There are a number of economic systems that exist in the economy of which are traditional economic system, command economic system/planned economy that factors in socialism and market economies and pure market, mixed economic system. In a traditional economic system the work that people do the goods and services that they provide along with the way they use and exchange their resources all follow an established pattern, also within this system "community interests' take precedence over the individuals.... individuals may be expected to combine their efforts and share equally in the proceeds of their labour" (Shoomp Editorial Team, 2008). The command economic system/planned economy it is the government who controls the economy hence they decide how to use and distribute resources such as control price and wages. Under the command economic system falls other economic systems such as socialism where the government has vary degrees of power over the economy whereas in the "market economic system government does not control vital resources, valuable goods or any other major segment of the economy" (Gemma, 2014), pure market economy however, sees the government being absent from economic affairs. Mixed economic system is a combination of elements of command and market economy, numerous economic decisions

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are made by individuals in the market however government plays a role in the allocation and distribution of resources.

Sumciouz pastry operates within a pure market economy or laissez-faire market economy hence the business decides how to distribute and allocate its products and services. This can be beneficial as well as disadvantageous to this business depending on how effective the decisions that are being made by the owner.

2. 2Assess the impact of fiscal and monetary policy on business organizations and their activities

According to Riley (2012) “ fiscal policy involves the use of government spending, taxation and borrowing to affect the level and growth of aggregate demand, output jobs”. On the other hand “ monetary policy involves influencing the availability and cost of money and credit to promote a healthy economy” (Federal Reserve Bank of San Francisco, 2014). Fiscal policy impacts the business (Sumciouz Pastry) both negatively and positively in that when the government increases taxes then it limits the businesses ability to spend more on in terms of investing in its business as well as the fact that it gives customers less spending power hence it can lead to a reduction in the level of customers coming to the business. However, should the government reduce taxes then customers will see an increase in their spending power hence more profit and customers for the business.

In order for the business to expand or progress financially the business has to borrow and this can be hindered through monetary policy where financial institutions such as banks increase interest rates thereby limiting borrowing by the business as when interest rates increase business and people tend to refrain from taking out loans as the cost is quite high in doing so.

2. 3Evaluate the impact of competition policy and other regulatory mechanisms on the

activities of a selected organization

In order to ensure that there is a balance within the business industry and environment there has to be the implementation of policies and mechanisms to ensure that competition is maintained and done in a manner that is fair, one of the ways in which this is done is through competition policy, “competition policy promote competition, makes markets work better and contribute towards improved efficiency in individuals markets” (Riley, 2012).

In the UK there is the establishment of four main pillars which is a competition policy that looks at anti-trust and cartels, market liberalization, merger control and state aid control, these pillars basically speaks to ensuring that firms who hold dominant positions in the market do not restrict competition through price fixing; introduction of fresh competition in markets that were monopolistic in nature; the state does not distort competition through certain measures that are being implemented and to examine mergers so as to ensure that there no domination of them in the market respectively. The Enterprise act 2002 is a reformation of the competition act 1998 that sought to promote those who competed fairly to thrive and is

stringent on those who tried to restrict competition, the enterprise act adds to that by ensuring that consumers are not harmed and that fair-trading takes place it also factors in the establishment of mergers and market structures. The Office of Fair Trading sees to it that markets work well for consumers and that business adhere to rules of competition and consumer law.

Sumciouz Pastry ensures that it operates fairly in terms of competition and consumer law and this is related to the Office of Fair Trading and Consumer Affairs hence consumers are offered products and services that are of high quality, prices are competitive as the business prices are lower than its competitors for most of its products and services. The business also operates in such a way that meets international standards.

Recommendations

The researcher would like to suggest the following recommendations of are :

- The business to seek and find more avenues that are available to assist them in terms of lending so as to allow the business to be able to progress as it want to.
- To ensure that it makes decisions that are effective in seeing increased productivity for the business so that due to the type of economic system that it is operating within.
- To procure and apply the necessary and relevant regulatory mechanisms and policies so as to ensure that the business operates in accordance with them.

Conclusion

In conclusion it is of a fact that the type of economic system in which a business operates in is significant and important in determining how business function in terms of their goods and services are allocated and distributed. For instance, in a pure market or laissez-faire economy resources are allocated based on demand and supply which is determined by income. Also the fact that monetary and fiscal policy can impact a business where an increase in interest rates tend to reduce the amount of loans being borrowed by a business and that an reduction in taxation by the government increases the spending power of both businesses and customers to the business therefore the business may see an increase in profits.

Additionally that competition policy and the relevant mechanisms assist in monitoring competition in the market as well as restricting unfair competition that can be carried out by large or more dominant firms; this is implemented through Enterprise Act 2002, Office of Fair Trading among others.

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