

As btec business

Business



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As we know businesses fall into different sectors depending on their type and their purposes. The two companies I am going to distinguish are Tesco's and CAFOD. From here I will be explaining the businesses type, purpose, ownership, size, scale and their aims and objective and how this influences them. Tesco's fall into the private sector because it is a business that wants to make a profit. They do this by selling their products such as food, clothes and electronics and so on. Because Tesco's only sell products and don't manufacture them, they will be classed as a tertiary in the industrial sectors. The tertiary sector of the economy is the service industry. This sector provides services to the general population and to businesses. Activities associated with this sector include retail and wholesale sales, transportation and distribution and entertainment.

Tesco's is a PLC meaning anyone can buy their shares on the stock exchange. Anyone who owns a share or shares is known as a share holder. If the company is successful then the share holder will receive a financial reward in the form of dividends. Selling shares to the public will allow the company to raise large amounts of money so they can expand or develop the organisation.

A large organisation can consist of thousands of employees, and could possibly have branches all over the world. A large business has many advantages, they can buy a large amount of stock for a cheaper price than what small business will get, (this is called economy of scale) because their suppliers want to sell their stock quickly. But the disadvantages are is that it will cost a lot of money to open up new branches, and can possibly take a long time to build them. Tesco is classed as a large organisation because of

the amount of revenue each year and the number of employees (an estimated 440, 000 in 2008). Tesco's is one of the largest grocery stores and sells other products such as home ware. The amount of revenue of February 2010 is an estimated 62. 54 billion.

An aim in a business is important. Businesses have aims so they can move forward quicker (develop their business). Setting aims will allow the company to have long term goals to achieve. Tesco's aims are to make as much profit as they can, this is called profit maximisation. This can be done in several strategies; the main strategy is to reduce prices to increase sales of the groceries/products, so this can lead to more market share and beating their competitors in price comparison. An objective in a business is also important. An objective is something that you want to achieve at the end of the day/ month/ year or future.

Tesco's will have objectives that are Specific, Measurable, Achievable, Realistic and Time. These are known as S. M. A. R. T objectives. Tesco's objectives is to make sure that they satisfy the needs of their share holders, and they will do this by meeting their aims and objectives and that their customers are provided with what they require and make sure they are satisfied with what they have received. CAFOD falls into the voluntary sector because they are not for profit. Voluntary organisations are usually made up of non-governmental organisations, (NGO's) or charities. NGO's are legally constituted organisations which operate separately from the government. Activities associated with CAFOD are events to raise money, for example- sponsored walk/run, bike rides and events alike.

CAFODS purpose is to work/help with poverty and suffering in developing countries. Volunteers can contribute to CAFOD either by making donations to the charity itself, or by travelling out to countries that are less developed and physically helping in them. CAFOD try to build better lives for those who are living in poverty or those who are suffering. They try to help people with the funds that they receive as donations, with these donations they build development programmes to try and build a better community. Development programmes can include building schools to provide education, water wells to provide clean water for the community and improve standards of living.

NGO's tend to be owned by trustees of foundations. CAFOD is run by a board of trustees and it is very important that the CAFOD have good relations with the public so they know that the majority of the money is spent on people in need and not on the business itself. The funds are monitored by the board of trustees, and they produce a public financial report every quarter for everyone to see.