

Managing Business

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Management can be defined as planning, organizing, leading, and controlling of human and other resources to achieve organizational goals effectively and efficiently. Managing a business requires knowledge, dedication, organizational skills and ingenuity. The overall vision for the business may be to address a need, provide a service or create something new. Generating revenue is a given goal for businesses, so the vision statement should be broader than a statement about profits.

The process of managing a business comprises several intertwined elements by which the goals and objectives of the organisation are achieved. These elements or functions include, promoting and marketing the product produced by the firm; making the product available to prospective consumers through proper distribution channels; managing the accounts and finances of the firm; protecting its intellectual property, etc. It also involves creating harmony among the working of various departments and divisions of the firm. Managing human resources and managing relationship with the customers are the most important elements in the whole process of business management. An entrepreneur with good managerial skills can convert the disorganised resources of men, money, material and machinery into a productive business enterprise.

“Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them.”

– **Paul Hawken** (an American entrepreneur, environmentalist, and author)

While managing the start-up stage of a business, three basic activities are there to be carried out;

1. Decide whether the featured business operates in the Primary, Secondary or Tertiary sectors of industry
2. Discuss whether this business operates in more than one sector
3. Discuss/research and suggest reasons why they may do this?

Managing business is a skill that can come from experience or from training in a prior company, and it can even be self-taught from the Internet by smart entrepreneurs, just like they learned the skill of establishing a company, negotiating a contract or filing a patent. The key concepts of managing a business can be summarised as follows:

- a) **Planning** – The ability to plan, to think through what needs to be done, in advance and on paper, is a critical skill that largely determines entire future of a business. The concept of management is determining what is to be done instead of how it is to be done. In large businesses, effective manage business skills requires planning. Planning is essential for developing a firm's potential. However, many small businesses do not recognize the need for long-range plans, because the small number of people involved in operating the business implies equal responsibility in the planning and decision-making processes.

Nevertheless, the need for planning is as important in a small business as it is in a large one.

- b) Organization–Organization/Organizing means bringing together the necessary resources, assembling the right people, and assigning work to specific people to be accomplished at specific times to specific standards of performance. The effectiveness of a particular organizational form depends on a variety of internal and external events for example:
- Competitors (number or activity)
 - Technology (internal or external)
 - Regulatory environment
 - Customer characteristics
 - Supplier characteristics
 - Economic environment
 - Key employees
 - Growth
 - Strategy (including new products and markets)
- c) Focus –The focus must be on high productivity. For growth and success of a business, it is necessary to continually look for ways to increase output while lowering costs. The three R's for attaining higher productivity are reorganization, reengineering and restructuring. No entrepreneur is born with these skills.
- d) Concentration - Concentrate on the important tasks. A successful management never forget to concentrate on their most important task and stay with it until it is done.
- e) Concentration - Concentrate on continuous improvement. No business that is static can grow or survive. Continuous improvement requires strategic planning to set new objectives and work toward them. Every growth company needs to innovate continually, maybe spending 20 percent of your revenues on research and development.
- f) Constraints and conflicts - Identify constraints and their source. Constraints follow the 80/20 rule – eighty percent are from inside, and 20 percent are from the outside. The best managers are the most creative in overcoming constraints. Another key to successful management lies in controlling conflict. Conflict cannot be eliminated from either the business or the interpersonal activities of the enterprise. A measure of the organization's success is the degree to which conflict can be exposed and the energies associated with it channelled to develop the firm. Although establishing policies and procedures represents the tangible aspect of organization and management the mechanisms to tolerate and embody challenges to the established operation serve as the real essence of a firm that will survive and prosper.

Managing a business effectively is the key to the establishment and growth of the business. The key to successful management is to examine the marketplace environment and create employment and profit opportunities that provide the potential growth and financial viability of the business. Despite the importance of

management, this area is often misunderstood and poorly implemented, primarily because people focus on the output rather than the process of management. In short, managing a business can be picturised as follows.

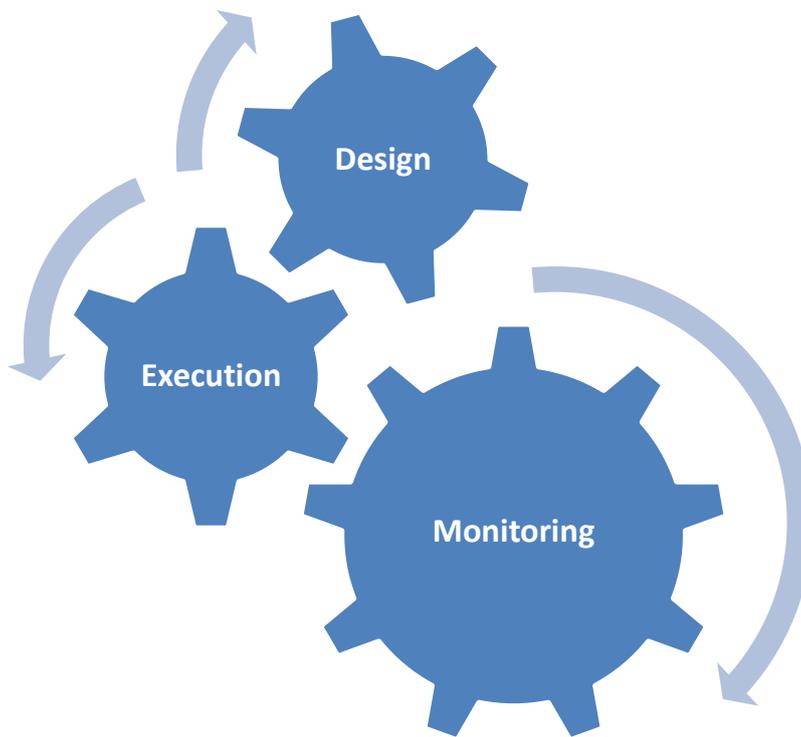


Fig1. Managing a business process

Effective communications also play an integral role in managing and operating any successful business. With open communications changes and their effects on the organization are quickly shared.

To sum up, Managing business is a dynamic and an on-going process which continues to operate so long as there is an organised action for the achievement of group goals. It is to direct the resources and the efforts of the business toward opportunities for economically significant results.