

Basic Concept of Business

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ECONOMIC

Business means an organization that sells goods or services to consumers or other business activities.

Understanding of Business

BROAD DEFINITION

A general term that describes all the activities of the institutions that produce goods and services in their daily life

NARROW DEFINITION

A comprehensive system that combines smaller subsystems called industry. It means, every industry was formed of many companies that have various sizes with a variety of products it produces, including marketing activities, HR development, financial management and management system.



ACCORDING TO EXPERTS

Business is an activity undertaken by individuals or a group of people (organizations) that creates value through the creation of goods and to fulfill society needs and gain some benefits through the transaction (Amirullah & Imam Hardjanto, 2005)

Business Aspects

According to the definition

INDIVIDUAL AND GROUP ACTIVITIES

Business activities can be carried out either by individuals or groups (company or organization).



CREATE OF VALUE

Business was established to fulfill the society needs through the creation of four kinds of utilities: form, place, time, and possession utility.

CREATE OF GOODS & SERVICES

People can chose to create goods or services to fulfill the society needs.



BENEFITS THROUGH TRANSACTIONS

Every effort was established to achieve certain objectives, one of it is a benefit.

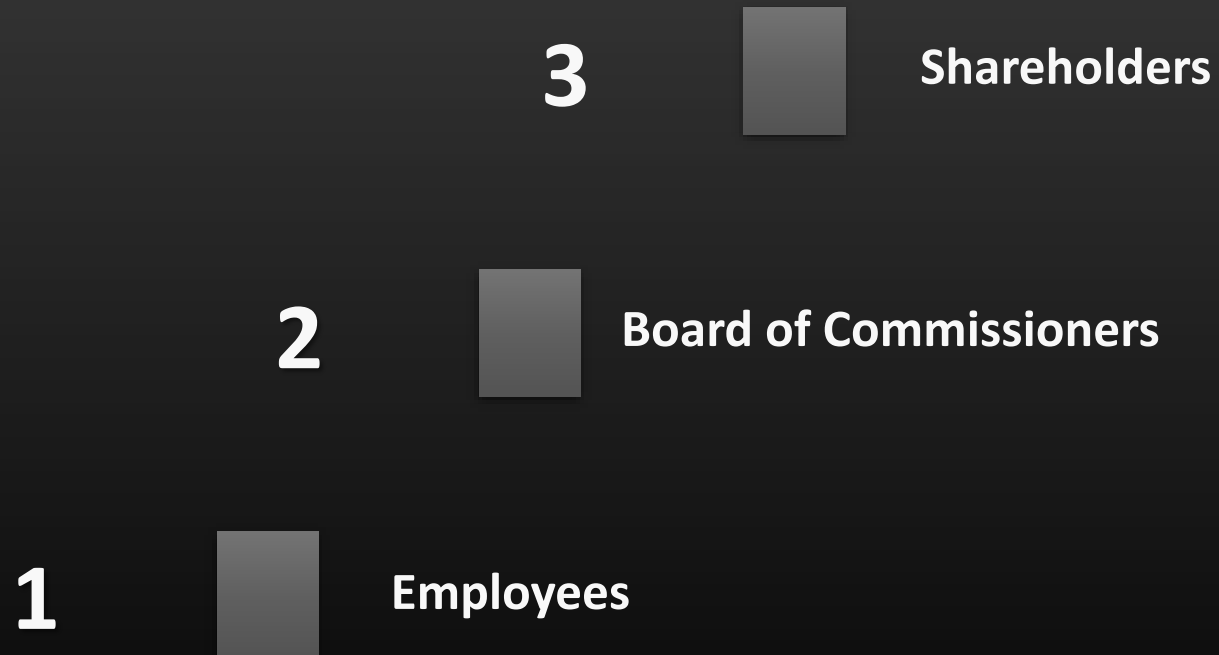


BUSINESS FUNCTIONS

In the term of micro-economic and
macro-economic interest.

Micro-Economic Business

As the ability of business activities that provide contribution to those who act directly in the value creation process





Society Around The Business



Nation and State



Human Resources

Macro-Economic Business

As the ability of business activities that contributes to the parties who involved indirectly in the formation and control of the business

Business Elements

01

Capital

02

Materials

03

Human Resources

04

Management Skill



CAPITAL

Material and non-material. Capital can be interpreted as the amount of money used to engage in business activities such as obtaining raw materials, labor and so on, the most important is "how to manage capital optimally to run business so it can be successful.



MATERIALS

Production factors to conduct business activities, in order to produce goods and services that society need. Noteworthy to achieve business excellence is the quality of the material because it can affect the quality of the product.



HUMAN RESOURCES

Human resources employed in a company must be qualified: has the competitive ability (Competitive Human Resource) and has the ability of high-quality (Qualified Human Resource).

MANAGEMENT SKILL



The most important skill is a skill that allows managers to help others (in this case the employee) to be more productive in the workplace. Basic skills of managers consists of three categories; conceptual skills, human skills, technical skills.



Business System

Business can be viewed as a whole system composed of smaller subsystems such as production, marketing, human resources, finance and so on.



Business System

INPUT

Business receives input and operate within the constraints of the physical environment, economic, politic, law, technology, and social.

PROCESS

Business processes in-put in the most efficient way to organize re-sources, motivate human resources & apply the right technology.

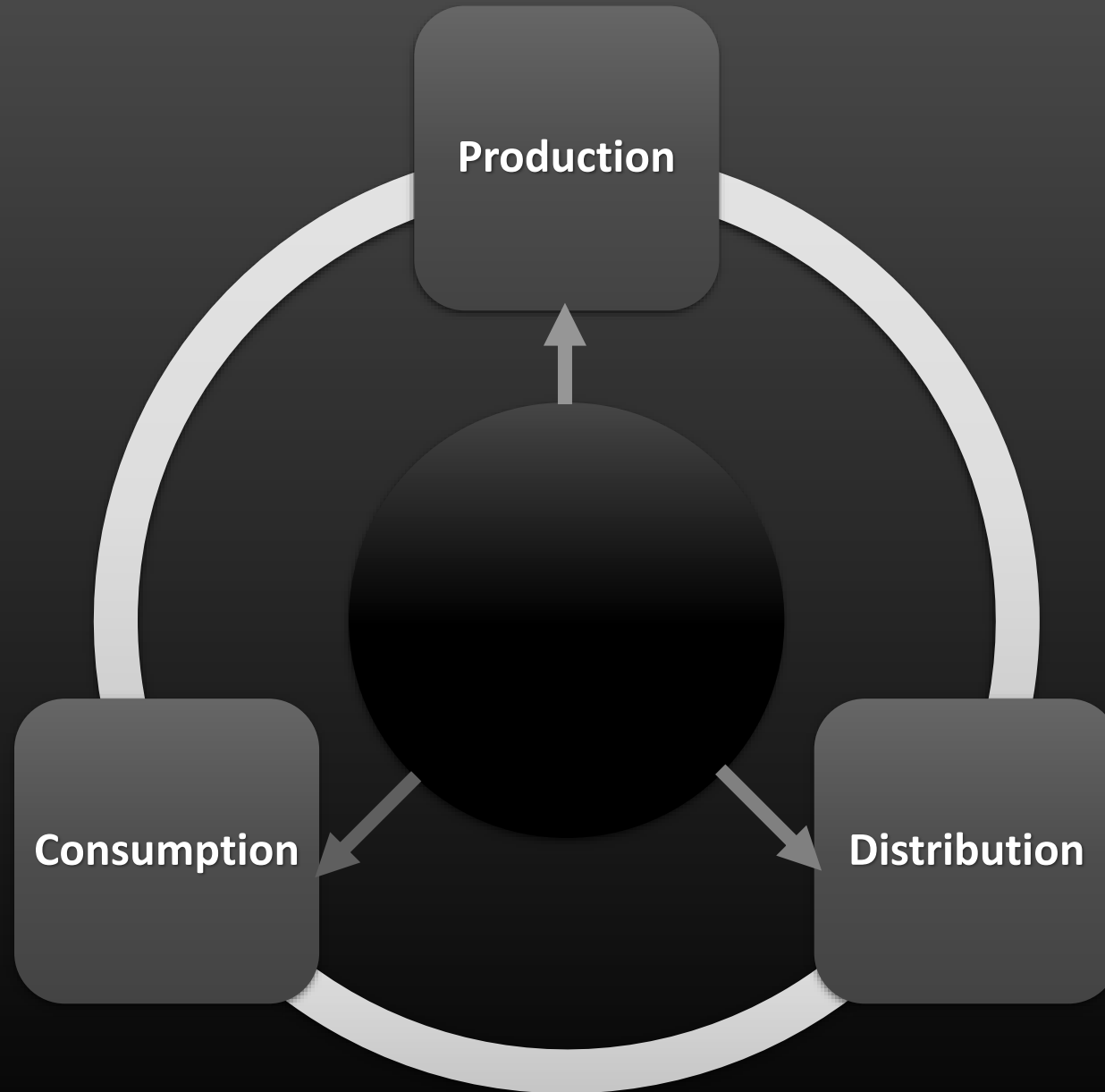
OUTPUT

Business produce goods and services to satisfy consumers and also to create economic and social benefits as well as improving the living standards of society.

Business Activities

Basically, business activities can be grouped into three main activities: production, distribution, and consumption.





Business Activities

