

VUSSC/Content/Entrepreneurship/Starting Up a Business/What is Business Management?

3. What Is Business Management?

A. How do we define Business Management?

There are several definitions for Business Management. The definitions vary depending on the perspective of the person giving the definition.

First, let us look at these definitions for business:

- Business is defined as an organization operated with the objective of making a profit from the sale of goods or services.
- An enterprise, commercial entity, or firm in either the private or public sector, concerned with providing products (goods or services) to satisfy customer requirements.

If we look closely at these definitions we will see that there are certain words which appear in both.



Key points

Select three of these words.

Now, look at these definitions for management:

- Management (from Old French *ménagement* "the directing", from Latin *manu agere* "to lead by the hand") characterises the process of leading and directing all or part of an organisation, often a business, through the deployment and manipulation of resources (human, financial, material, intellectual or intangible).
- Mary Parker Follett (1868 - 1933) defined management as "the art of getting things done through people."
- One can also think of management functionally, as the action of measuring a quantity on a regular basis and of adjusting some initial plan, and as the actions taken to reach one's intended goal. This applies even in situations where planning does not take place. From this perspective, there are five management functions: planning, organising, leading, co-ordinating and controlling.

In some cases though, these definitions, while useful, are far too narrow. The phrase "management is what managers do" is also prevalent, conveying the difficulty with which management is defined, the shifting nature of definitions, and the connection of managerial practices with the existence of a managerial cadre or class.

You can see that there is no single definition for Business Management.

For this course we may define Business Management as **the process of planning, organising, leading, co-ordinating and controlling resources to produce goods and services to satisfy customer needs.**



Definition

Write your own definition for Business Management.

B. Why do we need to define Business Management?

The structure and demands of business management are constantly changing. As a result, it is important that we determine what it means to us at a particular point and time. Once, we have decided on a definition; that definition should:

1. ... provide the business owner with areas of focus for his/her business.
2. ... indicate the perspectives(areas of focus) of the writer(s)you may choose to as your "guide".
3. ... allow you to compare the different perspectives to that of your own.
4. It may also help you to clarify your own thoughts on which perspective you should take.



Activity

- What is your main focus/perspective?
- Does it relate to the definition you wrote?
- You may rewrite your definition if necessary.

Introduction | Objectives | What is Business Management? | What is meant by Entrepreneurship? | What are the different business types? | How is a business idea developed? | What Factors Influence the Business? | The importance of a business in a country | Summary

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