

## ***E4***

### ***An evaluation of the key features of a range of commercial and non-commercial organisations to illustrate differences in their funding and their business objectives***

#### **PRIVATE SECTOR (Commercial)**

Private sector are companies owned by a particular group of people they mainly not government companies, the owners are individuals and can range from small one-person businesses to large multinational corporations who they main mission of the organisation is to generate profit and providing excellent service to their customers. Their other main objectives is to produce goods or services that satisfy their customer needs, most business organisations owned and controlled by private individuals strive to make and improve profits.

#### **Public Sector (non-commercial)**

Non-commercial organisations can either be in the public or voluntary sector mainly their objectives is to provide service that is in the public interest. Some services may be provided free at the point of use, such as the tourism concern organisation they work with people in order to promote tourism that benefit their communities their also work with the tourism industry encourage them to put fair trade principles into practice, the public sectors don't have shareholders but are financially supported through tax or the contribution of the public.

#### **What each of the following terms mean and giving examples of each from the Travel and Tourism industry.**

**\*Sole Traders-** These are business organisations owned and controlled by one person profit is the main measure of the business and their aim is to provide service to the public and making profit they responsible for decisions within their own businesses although they may employ other people the main disadvantage of being sole trader is that the law makes no distinction between the assets and liabilities of the business and those of its owners. This means that if the business is forced into liquidation the proprietor has to settle all outstanding debts from his or her own finances this may in turn lead to personal bankruptcy this also applies to partnership. Examples of sole traders in the travel industry are the concern shops e.g. local travel agents who sell products for holiday tourists go overseas

**\*Cooperatives-**This are companies which are owned and managed by the workforce, very member has equal voting rights, profits are shared equally there two main types of co-operatives

-One them is the worker cooperative groups of people who are attracted by the idea of shared ownership may join together and form a worker cooperative these are often formed when a firm is forced with shut down in a bid a safe guard their jobs the workers take over the ownership control and running of the business often contributing capital from their redundancy money they are generally limited by guarantee which means that every member agrees to bear losses up to a certain amount.

The other one is the Retail co-operative- the co-operative which can be seen in the high street today is the best known unlike limited companies which must register with the

**Partnership**- these are businesses that are owned and controlled by more than two people they also have broadly the same legal status as sole traders the partners in partnership take drawing rather than salaries from the business and have self employed status. Partnerships often start life as sole traders who find that they need to take on one or more partners this may be to inject more capital into the business or as is often the case with small Travel agencies they team up with other travel agencies in order to benefit from the profit and broaden they skill base

- British Tourist Authority it works with the English tourism council in order to build the value of inbound tourism in British and generating additional tourism revenue throughout British.
- There will be the National Maritime Museum it cooperates with different Members.

Cooperate Members are

- \*JP Morgan
- \*Cp Ships
- \*Lloyd's of London
- \*Evergreen (UK) Ltd
- \*Baltic Exchange
- \*Global Marine Systems
- \*Morgan Stanley

## **Local Authorities**

These provide a number of essential services for local private individuals and businesses responsibility for the management of these services is delegated from central government to an elected local government. They are funded by central government the council tax and by business rates.

***How commercial and non commercial interact with each other.***

Commercial and non-commercial sectors interact in a way that they all work towards the development of travel and tourism; tourist authorities are in the non-commercial sector and their main aim is to provide service to the public without charge they all work towards the development of tourism and they interact in different ways e.g. the local authorities are in the public sector and the Travel Agencies which are in the commercial sectors they communicate in a way that if the travel agencies want the attractions within the way they will contact the local authorities who will help them out