

## Business Studies Speech

"In economics, a **business** (also called **firm** or **enterprise**) is a legally recognized organizational entity existing within an economically free country designed to provide goods and/or services to consumers". The fundamental aim of the business is for people to work together and achieve goals to enhance value to inputs and thus creating profits for the business and its entities.

Good morning/afternoon class, teachers and or students. In today's speech I will be addressing "**The importance of business and its relationship with stakeholders**" I will be defining the term business, describing the nature of business and its role in society and I will also be explaining the responsibilities of business to internal and external stakeholders.

Firstly Businesses can be broken up into two different sub groups – public sector and private sector.

The public sector is organizations that are owned and controlled by the government. An example of these organizations is police, health, education and defense as well as businesses owned by the government such as State Rail, RTA, and Australia Post.

The private sector is all organizations and businesses that are owned and controlled by private individuals or groups

Secondly Stakeholders are the individual, groups or institutions who also have an interest in the way a business operates. There are two types of stakeholders in today's society. They are external and internal.

Internal stakeholders are those who are directly concerned with the business and are able to be controlled/directed by the business. The following are examples of internal stakeholders.

- Owners/Shareholders: Business has the responsibility of rewarding the owners for the risks that they have taken. These are people interested in seeing that the business is successful and thus profitable.
- Managers: Businesses have the responsibility to also reward the managers as well as ensure the managers have the resources, skills and authority to do their work. They also want the business to be successful so they can maintain the position or even get promoted.
- Employees: The business has the responsibility to make sure that the employees are paid, resourced for their work as well as provide a safe working environment.

External Stakeholders are those who are indirectly connected to the business and are unable to be controlled/directed by the business. Although they are connected they are outside of the business. The following are examples of external stakeholders.

- Suppliers: Business has the responsibility to pay the suppliers on time. They want to see the business doing well so the suppliers are supplying more hence a larger profit for the suppliers.
- Customers: Businesses have the responsibility to provide a good price, good products and good service for the customers.
- Competitors: Businesses have the responsibility to do what is ethically and legally right.
- Governments: Businesses have the responsibility to pay their taxes fairly, so the government can use the funds to make better roads etc.
- Distributors: Businesses have the responsibility to pay the distributors on time and similar to the suppliers the distributors want the business to be successful so they make a greater profit.

- Local Communities: Businesses have the responsibility to leave the local environment in good shape.

Thirdly The nature of business and its role in society can be broken down into several different points which form the function of business. The points follow:

1. To create value and benefit for customers in the form of goods and services.
2. Create employment and provide consumers/employers with the income that can be used to satisfy needs and wants of the society.
3. Create wealth and through ownership of business entrepreneurship combine the factors of land, labor and capital to make profits.
4. Innovation is important to hold the attention of customers. It can take form in new products, fixing old ones and enhancing new technologies.
5. Globalization refers to the increasing complexity of the linkages between countries due to the movement of people, goods and services, money, ideas and technology for the purpose of trade, leisure's, sport and developing international relations. Because of globalization it is easier for foreign businesses to sell their products in Australia; it is also easier for Australian Businesses to sell their products to overseas markets. This means that Australian businesses must become more competitive. Businesses are able to become more complete by being innovative.
6. The quality of life is the well being of a population is an important concern in economics and political science. It can be managed by many social and economic factors as follows:
  1. Standard of living; the amount of money and access to goods and services a person has.
  2. Freedom
  3. Happiness
  4. Art
  5. Environmental health
  6. Innovation
7. Australia is a free market economy this means there are many different companies with the same fundamental function. Therefore customers can choose between a variety of the same products and choose one that suits their needs and wants.

Australia wasn't always a free market economy, it was a protect economy this meant there has a limited choice. Thus there were measures needed to be put into place by the government in order to keep out foreign competition. This also meant we had to pay more for items.

8. Entrepreneurship is the practice of starting new organization or revising mature organizations particularly new businesses generally in response to identified opportunities. Entrepreneurship is often a difficult undertaking, as a vast amount of new businesses fail. This ranges from solo projects (incorporating part time projects to major undertaking creating many job opportunities).

In conclusion I trust that this speech has educated you of the necessary information in correlation with the sentence **"The importance of business and its relationship with stakeholders"**. I trust it has informed you on the Definition of a Business, the nature of business and its role with society, explained the responsibilities of business in regards to external and internal stakeholders and given you insight about business information and ideas. Thank you.