

## Introduction

In this coursework I am going to be writing about the ownership and location of businesses. I will be looking at what sort of company has a certain ownership whether it's there to make profit or offer education. Also I will be finding out what sort of location is needed and why it is important. I will then say what Tesco's and Chelmsford college ownership is. Then I will write about what sort of location both Chelmsford College has and Tesco's have and why it is important for them to have that location.

## Types of Ownership

There are two sectors in business ownership and they are both there for different reasons. The sectors are:

- The Private Sector- Anything not owned by the government for example Tesco.
- The Public Sector- All the organisations owned by the government including education, army, hospitals etc.

There are four different types of firms that would be under the private sector:

- Sole Trader
- Private Limited Companies (LTD)
- Partnerships
- Public Limited Companies (PLC)

In the last twenty years the government has lost a lot of their businesses through being bought by someone. There are very few left of the government owned for instance the royal mail.

## Business Location

Location is a critical factor if the business wants to succeed. The internet has had an impact on business locations because it may mean you can locate anywhere. But it all depends on what sort of operations the business needs to do. Factors that may influence the location include:

- Availability and cost of labour skills
- The cost of premises- for example you are going to have to pay much more money for a location in London than you would in the south
- Government charges- for example the government are going to charge more taxes if your business is private and in London than you would if you were private and in the country

- Financial help
- Transport links for supplies and distribution- For example if the distribution factory for Tesco is in the centre of main locations
- Where the customers are- for example if you would put a Tesco in the middle of nowhere or in a high street
- History and tradition

### Type of Ownership

#### Tesco

The type of ownership that Tesco has is in the private sector. It is a public limited company. The reason for Tesco being a public limited company is so the organisation can make a profit by being able to sell shares on the stock exchange.

An advantage of being able to sell shares is if the business is doing well the share value will rise in value.

Tesco also have “limited liability” which means that the owners and shareholders of Tesco are not personally responsible for the business’ debt and will not have anything repossessed etc.

Tesco will use economies of scale for their advantage because they will be able to buy more at a time and borrow cheaper and this is an advantage because it means that they can sell the product for cheaper than a competitor may sell the same product. A disadvantage of selling shares is if the business is not succeeding the value of the shares will drop in value and means Tesco will not get as much per share as usual.

Another disadvantage is that Tesco has a possibility of takeover because the shares can be bought by anyone and this might cause an argument over who has more power to the company.

### Chelmsford College

#### Advantages

Chelmsford College is owned by the government which means it comes under the public sector. This means that it is not there to make a profit and all the money that comes into Chelmsford College is paid by taxes. There is no liability involved if you work in the public sector which means that the business’ debt will not have any action taken because it is run by the government.

Chelmsford College doesn’t have to worry about the economy as much because it doesn’t affect them for example they would not have to take notice about the credit crunch or any problems that is going on except if the government has money to spent elsewhere.

#### Disadvantages

A disadvantage of being in the public sector is that if you go over the budget you may be restricted to future funding to make up for the expenditure before.

The student numbers affect the funding that the college get so if students are not coming in or they are sick the funding will go down and will affect the budget that the college gets.

If the government have anything else they would have to spend money on for example if the country goes to debt that may mean the college funding money may be reduced.

### Location

#### Tesco

Tesco use different types of store in different locations. The different types of store are:

- Tesco Extra- This is the largest type of store. It is usually on the suburbs of town areas. It has foods and non-foods inside.
- Tesco Superstore- This is mainly located in smaller residential areas. It is usually a food specialist.
- Tesco Metro- Located in city centres and busy high streets. Mainly selling food essentials.
- Tesco Express- These are just small stores located in petrol stations or local residential neighbourhoods.

Tesco would also have to worry about the location of the supplies factory if it is in a main city located in the centre of other main locations. Tesco have a distribution centre in Basildon and Harlow which means it is easy to get to other main location where Tesco have stores.

### Chelmsford College

Chelmsford College is based in Chelmsford but has 3 sites in Chelmsford. These are based in:

- Moulsham Street
- Princes Road
- Copelstan Court (Central Essex Training)

The location is based upon where the customers are maybe looking at where a lot of secondary schools are and get the students from there. It is also depending on the transport for customers for example if it easy for students to get in by bus and whether there are enough buses. They may depend on whether there are enough alternatives in the region to support the government education policy.

