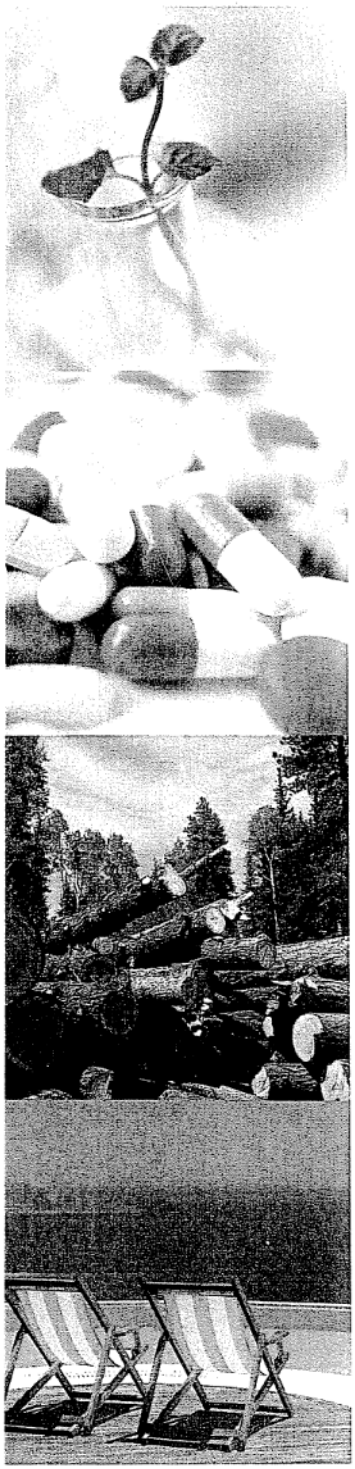
Business fundamentals

- industry groups and sectors
- types of business, business models and management structure



Business organization

Discussion

1 **With a partner, decide which industry group and sector these companies belong to.**

BASF Boeing Carrefour China Life GlaxoSmithKline Google Nestlé Total

Industry group	Sector
Oil & Gas	Oil & Gas Producers, Oil Equipment & Distribution, Alternative Energy
Basic Materials	Chemicals, Forestry & Paper, Industrial Metals & Mining
Industrials	Construction, Aerospace & Defence, Packaging, Electronic & Electrical Equipment, Engineering, Transportation, Business Support Services
Consumer Goods	Automobiles, Food & Beverages, Personal & Household Goods, Tobacco
Health Care	Health Care Equipment and Services, Pharmaceuticals & Biotechnology
Consumer Services	Retail, Media, Travel & Leisure
Telecommunications	Fixed and Mobile Telecommunications
Utilities	Electricity, Gas, Water
Financials	Banks, Insurance, Real Estate, Equities
Technology	Software, Hardware, Computer Services

2 **List five large companies in your country. Identify their industry group and sector.**

Reading

3 **Read the summaries and name companies or people you know for each category.**

Type of business

Sole trader/Sole proprietorship The business is owned by one person who is responsible for any debts.
Partnership Two or more people run the business together. All partners share profits and losses.
Limited company/Limited liability company (Ltd/LLC) The company is responsible for any losses, not the owners. The company is private, i.e. shares cannot be sold to the public.
Public limited company/Corporation (plc/Corp/Inc) The company is owned by shareholders who receive dividends and who may gain or lose money if the share price goes up or down.

Business model

B2B (business to business) Companies sell to companies.
B2C (business to consumer) Companies sell to individuals.
C2C (consumer to consumer) Individuals sell to individuals.
B2B2C (business to business to consumer) Third-party vendors or consultants sell a company's products to consumers.

Management structure

The Board Chairman, CEO, CFO, Non-Executive Directors
The Management Committee/top management CEO, CFO, Directors of Marketing, HR, IT, etc.
Middle management Managers of divisions, departments, branches, etc.
Supervisory/first line management Supervisors, team leaders, etc.

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beverage
dividend
equities
utility

Discussion

4 **In groups, discuss the questions.**

1 Which sectors and types of business would/wouldn't you like to work in? Why?
2 What level of management do you hope to reach in the short term and in the long term?