Introduction to Business Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Ch. 1 - A Look at Wants & Needs

Your Choices = Business Decisions

* Look at what you are wearing today.
* Why did you buy the clothing you have on?
* Reasons for purchase?
  + Cost
  + Taste
  + Brand Name
  + Recognition
  + Supply

We have an abundance of WANTS

* **Wants** – things you wish you could have.
* **Needs** – necessary wants.

**Private Wants vs. Public Wants**

Satisfying Wants & Needs with Goods & Services

**Goods vs. Services**

* Goods can be physically weighed or measured.
  + - *groceries, telephone, etc*.
* Services are tasks that people or machines perform.
  + - *cutting hair, teaching music lessons, etc*.

**Intangible vs. Tangible**

* Intangible wants are not met by businesses
  + - *love & respect*
* Tangible wants are met by businesses
  + - *wants that can be satisfied by goods & services*

Unlimited Wants - The more money you make the more goods & services you want.

Resources - anything people use to make or obtain what they need or want.

* *Fuel, timber, labor, money*
* Resources limit the number of wants people can satisfy.
  + *Limited amount of money to purchase goods.*
  + *Limited amount of time to earn money.*

It is important for individuals, businesses and nations to make the best use of their limited resources.

* + Deciding on Your Resources

Every day you have opportunities to make choices about how you’ll act, treat others and what you’ll do.

* Make these decisions CAREFULLY!!
* “Decision Making Process” is a step-by-step method to carefully consider alternatives that result in better choices.

5 Step Process for careful consideration of alternatives and their consequences before you make a final decision.

Decision Making Process

* Step 1 – Identify the problem
* Step 2 – List Alternatives
* Step 3 – Determine Pros and Cons
* Step 4 – Make the Best Decision
* Step 5 – Evaluate your Decision

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* + Define wants, needs, goods, services & resources.
* What is the difference between public wants and private wants?
* List the steps in a Decision Making Process
  + - give a scenario example along with the process

What is Business?

* Business: Any activity that seeks profit by providing goods or services to others.
* What business provides you with:
  + Necessities: food, clothing, etc.
  + The opportunity to become wealthy.

Wal-Mart Stores, Inc.

* In 1962 Sam Walton opened the first store in Arkansas.
* Today it sells about $200 billion worth of goods and services.
* To become a successful company they figured out that their customers wanted *low prices & genuine customer service.*

What Business Does?   
Businesses meet the needs & wants of the people.

* + **How does this happen?**
* *Organize* the people and equipment to provide a product.
* *Manage* the company’s resources to produce the product.
* *Market* the product or service by deciding where to sell it and how to advertise it.

*Think about what happens before you see your favorite soft drink in the store?*

Levi Strauss & Company

* Levi Strauss & Jacob Davis successfully responded to people’s wants & needs in 1873.
* Sold work pants to miners, surveyors, cowboys & other hard-working westerners.
* Early buyers called the denim pants “Levi’s” and the name stuck!!

Business Motivations

* Why would a person or a business supply the goods & services you want?
  + To make a **PROFIT**

PROFIT - The amount of money left over after a business has paid for the *cost of producing* its goods and services.

* Profit is the:
  + motivation for taking the risk to start a business
  + reward for satisfying the needs & wants of consumers
* Without a profit a business cannot survive!
* Consumer wants & needs change and motivate businesses to change along with them. (ie. cellular telephones)

**Competition** – the contest between businesses to win customers.

* + It is a direct response to consumers’ wants & needs.

The Mutual Relationship Between Business & You

* Businesses make decisions that impact you.
* You decide what kind of products and services you want and where you will buy them.

You as a Consumer

* Consumer – A person who selects, purchases, uses or disposes of goods & services.
* You have constantly changing needs & wants & business is aware of this.
  + The Palm Pilot: hand-held computer designed by Jeff Hawkins.
  + PDA (Personal Digital Assistant)

You as a Wage Earner

* In order to make products and provide services, businesses hire people to work.
* Today business gives workers more input about how things are done.
  + Ask for employee input on product development.
  + Input from employees at Crest Toothpaste helped to come up with the idea of the stand-up toothpaste tube.

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* Define Business.
* List the business activities that happen behind every product or service.
* How does business affect you as a consumer and as a wage earner?

Self-Discovery in Business

*Before dinner you start watching the local news. A broadcast journalist talks about the price of consumer goods. A little later, the reporter mentions that a major online company filed for bankruptcy. The federal government announces a change in interest rates.*

* What does this mean to you?
* What difference does it make?
* Will it influence your life, your friends, or your family?
* Do the actions of the government & business have any impact on you?
* What do you need to be a wise consumer, a good employee or a successful business owner?

What do YOU like?

* You may not know yet whether you would like to work for someone else or whether you would like to have your own business.
* Explore the world of business.
* Learn as much NOW in order to make an informed decision in the future.
* Regular self-evaluations are very helpful to determine what is important to you today and tomorrow.

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* Why is it important to understand business today?
* How will knowledge help your career?