

1.4 Business Aims and Objectives



What are Aims + Objectives?

many small businesses fail in the first year, an aim might be to make it through to year two

Survival

many small businesses fail in the first year, an aim might be to make it through to year two

Growth

to expand into new markets or creating new products

Providing a Service

for some businesses, a quality service is their USP and is how they attract customers

Market Share

market share compares a businesses sales against competitors – the higher it is, the more control you have

Profit

most businesses operate to make a profit – often they will be 'profit maximising' businesses – occasionally, **satisficing** is the aim

Other Considerations!

- Some businesses may have a community or environmental aim too – like Innocent Smoothies
- Business objectives may be linked to whether the business is in the public or private sector and the type of ownership structure

Changing Aims and Objectives

Short term vs long term: Small businesses may aim to survive at first while they establish themselves in the market. In the longer term this may change as they grow.

Economic conditions: Some businesses may adopt a strategy of survival during an economic downturn such as the COVID pandemic but when the economy opens up again this may be replaced with a different objective.

Market conditions: objectives may change as a business evolves. For example a market may become more competitive and therefore market share may become a more significant focus for a business.

Key Words

Profit

What is left over from Revenue, once Costs have been paid.

Revenue – Costs = Profit

Market Share

market share compares a businesses sales against competitors

Survival

a business making it through year without failing financially

Growth

a business increasing sales / profit / market share by expanding into new markets or creating new products

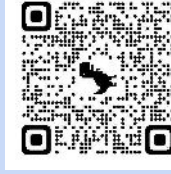
Providing a service

This is where a business makes sure that the needs of the customer are being met.

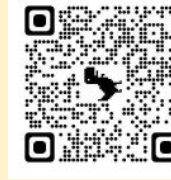
Extended Reading



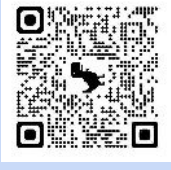
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