

- AGM (Annual General Meeting). This is a meeting of the shareholders of a company. It is held once a year. At the AGM, shareholders can ask the directors questions, the chairperson gives an address, directors are elected, auditors are appointed and accounts are presented.
- EGM (Extraordinary General Meeting). This occurs when a matter of such importance arises that the business cannot wait until the next AGM to discuss the issue.
- Board Meeting. These are regular meetings held by the board of directors of the company. Tactical planning, strategic planning and review of company performance are often on the agenda of a board meeting.
- Management/executive meetings/ad hoc. Meeting held by various managers in the business to deal with operational issues/immediate problems.

(b) Outline **two** benefits of meetings as a method of communication.

1. Meetings allow discussions to take place on different proposals which in turn allow for good, **effective decision-making/ co-ordination of the work of various departments**.
2. Meetings allow **information to be disseminated** to the various stakeholders in the company, e.g. a meeting of management and the employees of the firm regarding industrial relations issues.
3. Meetings are creative forums, e.g. **a brainstorming session** during the idea generation stage of the product development process.
4. Meetings are appropriate when **sensitive or confidential issues** are being discussed e.g. redundancy, dismissal of staff and business contraction/expansion.
5. Meeting allow for **feedback** to be given and received.
6. A **written record** (i.e. minutes) of decisions can be made for future reference.

5. Agenda of an AGM of a Private Limited Company:

1. Minutes of the 200x AGM
2. Matters Arising from the Minutes
3. Chairperson's Report
4. Auditors report and accounts
5. Declaration of Dividend
6. Appointment of Auditors
7. Election/reappointment of Directors
8. Motions
9. A.O.B.

3 (2006)

To: All Retail Staff

From: Sales Manager

Date: 14-06-2006

Re: Please note that the agreed 10% commission scheme will apply to all sales from July 1st next.

Signed: Joe O'Rourke Sales Manager

4 (2005)

| 5 | 4 + 3 + 3 marks (2 + 2) and (2 + 1) |

5. Problems of e-mail

Technology availability

Data security

Business contracts

Audit trail

Authenticity

Negligence - liability

Incorrect address or data

Viruses

5 (2004)

| 4. | 6 at 1 and 2 at 2 marks |

4. Memo (Memorandum):

To: All Departmental Managers

From: Managing Director

Date: 15-06-2004

Re: Please note that the suggested topics for the next management Training Day are

(1) Understanding Financial Statements

(2) Strategic Planning

Signed: Paddy Kelly. M.D.

6 (2002)

10. Memo:AGM

Memo (Memorandum)

To: All Shareholders

From: Company Secretary

Date: 12-09-2001

Re: Notice is hereby given that the 35th Annual General Meeting of Tree Product PLC will be held in the Company offices, Main Street, Dublin on 13-11-2001 commencing at 02-00pm. The agenda is enclosed.

Signed: Paddy Kelly. Company Secretary.

7 (2002)

5. EDI Electronic Data Interchange helps business to:

Reduce the costs of paper records for transactions

Reduce the costs of time by personnel through use of computers

Retain important customers

Reduce the costs of processing transactions and

Reduce the risk of error

4	A	<p>Describe the functions of the different meetings held by limited companies.</p> <p>Annual General Meeting (AGM) This is a meeting held once a year and attended by the directors and shareholders of the company. The main functions of the AGM are as follows;</p> <ul style="list-style-type: none">- The shareholders elect a board of directors.- The shareholders appoint auditors.- The chairperson gives a report on company performance.- The auditor's report presents the accounts.- Shareholders have an opportunity to question directors in public on company policy.- Declare a dividend. <p>Extraordinary General Meeting (EGM) This is a meeting of the shareholders and company directors held to discuss a matter of urgency that cannot wait until the next AGM. There is no other matter discussed at this meeting.</p> <p>Board Meetings These are meetings of the board of directors and are usually held on a monthly basis. Progress and performance is discussed and tactical and strategic plans are formulated. Problem solving is a key function of board meetings.</p> <p>Statutory Meeting This is the first meeting of company shareholders. Its objective is to inform the shareholders about the affairs of the company. A statutory meeting is held once only in the whole life of the company. A statutory meeting is held by every limited company. The meeting should be held within the prescribed period mentioned in the company ordinance.</p> <p>Ad Hoc meeting A meeting that takes place at short notice to discuss a matter that requires attention and that has arisen unexpectedly.</p>	20
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Outline how developments in technology have benefited business communications.

If you need to speak with an employee who is travelling in another country or you need to communicate with your supplier half way around the world, technology such as **email and texting** allows you to do so instantaneously. Urgent messages can be communicated rapidly and effectively using different technologies, including Skype and smart phone technology.

EDI (Electronic Data Interchange) greatly facilitates communication in a global market. Document transfer, automated stock ordering, details of trading figures etc. can be transmitted globally in a matter of seconds.

Professional networks like **LinkedIn** have revolutionised the way business people communicate with each other.

The Internet including **social network sites** such as Facebook and business networks such as LinkedIn have facilitated the global marketing of companies.

Network advertising, company **websites** and electronic payment have allowed global e-commerce to flourish.

Intranets or **Local Area Networks (LAN's)** allow employees within the organisation to communicate with each other much more efficiently. Files can be sent quickly and paperwork is kept to a minimum.

Workers have no longer to be on site to communicate efficiently. Skype and **virtual meetings/video conferencing** allow workers to enjoy flexi time, work from home and communicate, cutting down on the costs associated with live meetings.

CAD (Computer Aided Design) had revolutionised the design process, making it much easier and faster to develop new products, and allowing companies to react quickly to customer requests and needs. Allows designs to be saved, changed and reworked without starting from scratch. A product designed in one country can be sent electronically to another country to be tweaked by local designers to make it better suited to local tastes.

ISDN (Integrated Services Digital Network) uses telephone lines to communicate, transmit and receive digital information.

File transfer, teleworking, video conferencing, e-mail etc. allow vital information to be transferred anywhere in the world. This greatly assists management planning, organising and control and facilitates effective decision making

Automated stock control systems/design technology/Robotics

Use of technology to handle, analyse and communicate business data.....

Outline the different stages in Maslow's hierarchy of needs **and** illustrate how 3 Dimension Ltd applies this theory to motivate its employees.

Maslow put forward a theory on motivation based on 5 levels of basic human needs that must be satisfied in sequence, starting from the lowest and working up to the highest. As one need is satisfied then the need immediately above it on the pyramid becomes the dominant motivator. The needs in **ascending** order are as follows:

1. The need for Food /Shelter (Physical Needs)
2. The need for Security and predictability. (Safety/security Needs)
3. The need for love and friendship. (Social Needs/Acceptance)
4. The need for status, respect & appreciation by others. (Esteem needs)
5. The need to realise one's full potential. (Self-Actualisation needs)

Physical Needs. A manager can motivate his workers by ensuring they receive a fair wage, bonuses, profit-sharing schemes in order that the physical needs for food, clothes, shelter etc. can be met.

3 Dimension Ltd 'offers competitive salaries to its employees'

Safety Needs. Managers can make employees feel safe and secure by:

- o Offering long term contracts of employment.
- o Providing free medical check-ups.
- o Sending workers on health and safety courses.
- o Providing a safe working environment e.g. safety goggles, boots, gloves, hard-hats, high visibility jackets for construction workers.

3 Dimension Ltd provides 'a safe and healthy work environment'

Social Needs. The social needs of employees can be met through offering flexi-time which allows employees to spend more time with their families. Teamwork and social events can help workers form new friendships and relationships.

3 Dimension Ltd 'holds weekly team meetings enhancing the workers' sense of belonging'.

Esteem Needs. Managers can facilitate a worker's esteem needs through offering praise and rewards such as a new job title or an attractive office.

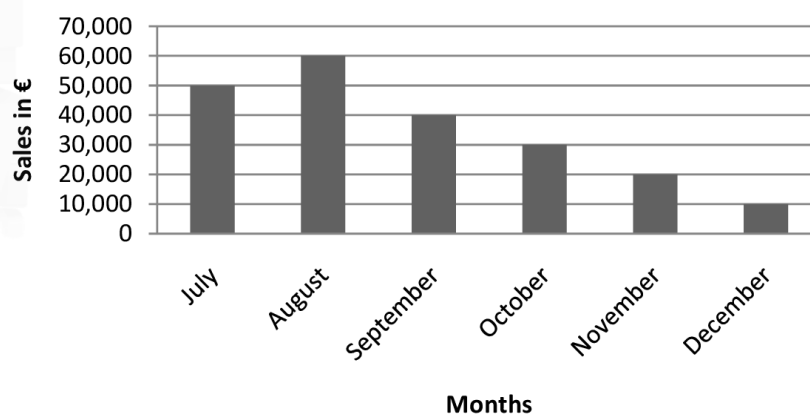
3 Dimension Ltd 'recognises and rewards staff achievement'.

Self-Actualisation Needs. Management offers workers a career plan, training and development opportunities, empowerment and promotion to positions of responsibility.

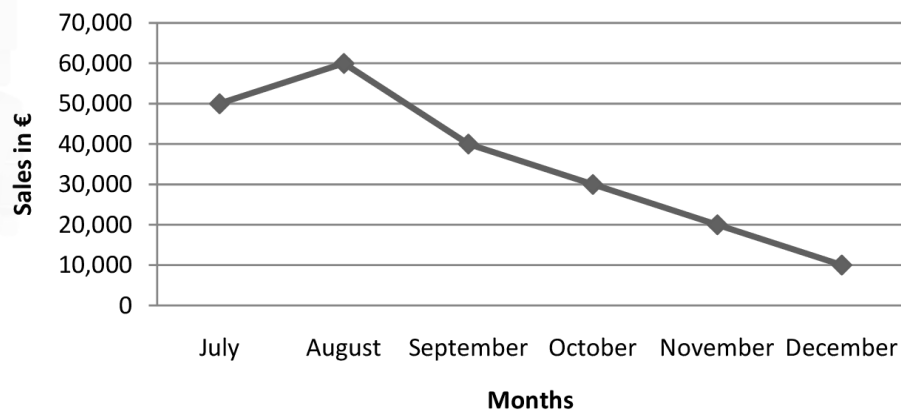
3 Dimension Ltd 'provides opportunities for staff to develop new skills and experience new challenges.'

10 (2015)

**Projected Sales of Water Conservation product
Revenue July - December 2015**



**Projected Sales of Water Conservation product
Revenue July - December 2015**



4	A	<p>ii Outline the principles Paul should consider to ensure he communicates his message effectively to the board of directors.</p>
		<p><u>Audience knowledge/Preparation:</u> Know your audience as it will influence the tone, voice and quality of the message/Your message must reflect the education level, aims and objectives of your audience. Paul should know the strengths and weaknesses of the board/Target the message to his specific audience, the board of directors (BOD) and see things from their perspective.</p>
		<p><u>Accuracy:</u> Have a thorough knowledge of the topic to be discussed/ All factual information must be accurate/ Have an introduction, plan of action and expected outcomes. Paul should anticipate the concerns of the BOD and have considered possible responses.</p>
		<p><u>Clarity/appropriate language/conciseness:</u> If the language is too technical or too difficult for the board of directors to understand then the message may be misinterpreted. Paul needs to choose language appropriate to his audience and he may use short clear sentences/avoid jargon/give the bottom line.</p>
		<p><u>Visuals:</u> “A picture is worth a thousand words” and visual supports such as bar charts and line graphs communicate financial data very effectively. By presenting the financial information in a chart Paul is making it easier for the BOD to process the information quicker. A power point presentation could have a strong impact.</p>
		<p><u>Confidentiality/safety:</u> The medium chosen must be appropriate to the message been given. If the message is sensitive (projected sales data for a new product) meetings are more appropriate and effective. Face-to face may be more effective for sensitive information. Competitors would be very interested in Paul’s projects sales figures.</p>
		<p><u>Feedback:</u> The board of directors may be looking for /or giving feedback in order to take further action in relation to the product. This may be a reason for organising a meeting as it allows for immediate feedback and clarification and provides an opportunity for Paul to eliminate any misunderstandings.</p>
		<p><u>Other acceptable points:</u> Timing/appropriate method/need for record etc.</p>

(A) Illustrate the factors that a business needs to consider when communicating with its various stakeholders.

Appropriate Language/Clarity (E.g. stakeholder, the consumer)

If the language is too technical or too difficult for the customers to understand then the message may be misinterpreted. The business needs to choose language appropriate to its audience. In the case of customers, short clear sentences and visual supports etc. may be suitable for product assembly e.g. flat packs.

Confidentiality/Safety (E.g. stakeholder, the employee)

The medium chosen must be appropriate to the message been given. If the message is sensitive for the stakeholder e.g. terminating the employment contract of an employee, then a meeting would be more appropriate than a letter or an e-mail.

Cost (E.g. stakeholder, the manager)

The expense of the communication process is a very important factor. A CEO communicating with his managers worldwide may choose to hold a virtual meeting to cut down on travel and subsistence costs.

Urgency/Speed/Destination (E.g. stakeholder, the supplier)

If a crucial piece of information has to be communicated instantly to a supplier, then a phone call, a text or e-mail may be appropriate e.g. to arrange a change in delivery times.

Feedback/Accuracy/Record (E.g. stakeholder, the Government)

The business may be looking for feedback in order to take further action. Communication with the revenue commissioners may require regular correspondence and written records and in this case business letters and e-mail can provide formal evidence of the feedback process, eliminating misunderstandings.

Other relevant factors: Legal requirements; Availability of technology etc.

(20 marks)

(B) Distinguish between the duties of a chairperson and a secretary in the organising and running of an Annual General Meeting.

The Chairperson

- The chairperson in conjunction with the secretary is responsible for convening the meeting by drawing up the notice and agenda.
- The chairperson opens the meeting only after ensuring the quorum is present. S/he calls the meeting to order and welcomes everybody setting the correct tone.
- S/he ensures that minutes of previous AGM are read, adopted and signed.
- The chairperson ensures that the agenda is followed in the agreed order / ensuring compliance with standing orders.
- The chairperson guides the discussion and manages time and contributions. Keeping order and dealing with points of order is important/ allowing discussion only of matters on the agenda.
- The chairperson organises vote taking and in the event of a tie s/he has a casting vote.
- The chairperson has power to adjourn the meeting.

The Secretary

- The secretary sends out the notice and agenda to all those who are entitled to attend. This should be sent out in plenty of time giving members or shareholders time to prepare for the meeting.
- The secretary arranges a suitable venue ensuring that essential resources such as refreshments, audio-visual equipment and seating plans are in order.
- The secretary informs the meeting of important correspondence and documents received by the organisation.
- The secretary assumes the role of minute's secretary. This involves reading the minutes of the previous meeting and having them approved and then signed by the chairperson. It also involves taking notes so that the minutes of the present meeting can be written up accurately later.
- The secretary assists and advises the chairperson on points of order, information etc. during the meeting.

(20 marks)

(C) Outline two styles of leadership and illustrate how each of these styles may be appropriate in different business situations.

Leadership Styles.

Autocratic

- Leader who likes to be in control of things and does not delegate/ Little consultation with employees, frequently dictating instructions/ Opinions of employees are not considered
- All major decisions are made by the leader and orders are issued and directives are made to be obeyed without question.
- Fear and threats are used as motivators/ Little trust in employees
- Manager suffers from overloading and the quality of their work suffers
- Subordinates get little experience of management and promotions are mostly external
- Morale can low among staff/ Staff turnover can be high/ Staff become frustrated: industrial relations disputes follow

Illustration: This style of leadership may be appropriate in a crisis or emergency situation where tough decisions may be needed quickly e.g. turning around a business, facing insolvency.

Democratic

- Power is shared with staff
- Authority is delegated to staff, but ultimately responsibility rests with the manager.
- Opinions/ideas/feedback are sought before decisions are made and tend to be better as a result.
- Trust is built overtime with staff/ Staff feel more valued and motivated.
- Promotions are internal as staff get experience of management.
- Intrapreneurship may occur.
- Decision making can be slow and delayed.

Illustration: It may be appropriate in a business that promotes teamwork (e.g. Google). Works well in an environment where staff can handle responsibility.

Laissez – Faire

- Management has a facilitative role (guide) and does not get involved in the day- to -day running of the business.
- Almost all authority is delegated to staff.
- Huge Trust is placed in staff.
- Highly motivated and trustworthy workers use their initiative leading to very high levels of intrapreneurship.
- Staff are empowered rather than ordered.
- Greater freedom given to staff in setting own goals.
- Managers are free to deal with more strategic matters.

Illustration:

Is likely to be used by High Tech industries which rely on well educated and highly self-directed employees. Prevalent form of leadership in firms engaged in R&D and advertising where creativity is valued.

(20 marks)

(60 mark)

(i) Electronic Data Interchange (EDI)

EDI is an automated method of processing transactions between suppliers and customers e.g. ordering of stock, invoicing, payment etc. EDI is dependent on the supplier and customer having access to compatible EDI software.

Impact of EDI

- Faster method of processing transactions
- Cost effective method of processing transactions –labour costs, stationery/office expenses, overheads, time required all reduced
- Stock levels may be reduced as automated processing ensures speedier stock re-order/fulfillment of order – more effective stock control system leading to reduced stock holding costs e.g. insurance, storage etc.
- Scope for human error is reduced as transactions are automated
- Installation and training costs of installing EDI

(ii) World Wide Web and Internet

The internet is the global network of computers facilitating the transmission of data and communication between users. All computer users who are networked to the Internet (through an ISP) can access information via the World Wide Web - using the website address e.g. The **Irish Times may be accessed at www.irishtimes.com** or through a search engine e.g. www.google.ie. Users may also communicate with each other via e-mail. Broadband is the fastest means of internet access.

The internet has both a personal (social) and a business use.

Social Networking website Bebo is a popular method of communication where registered users are allowed to share photos, music, blogs etc.

The internet has also had a profound effect on how we conduct business, facilitating e-business – both B2B (business to business) and B2C (Business to consumer).

Impact of the Internet and WWW on business

- Facilities e-business – both B2B and B2C
- Faster, more cost effective method of communication – consumers can communicate directly with business and vice versa
- A website may be an effective marketing tool – internet provides access to a worldwide market
- Business can conduct market research via their website –e.g. www.amazon.com profiles the interests of its users, and reminds users each time they log on to the Amazon website of any new books etc which may be of interest to them
- Customer relationship management supported through on-line customer support services and on-line market research

- Business may provide an online support service to customers e.g. Dell
- Increases scope for flexible working conditions e.g. teleworking
- Reduced overheads/labour costs where employees telework
- E-mail provides a written record of all communication
- Retailers moving to on-line operations e.g. Next
- Risk of credit card fraud and hacking of website for on-line business operations
- Installation and training costs

(iii) Video-conferencing

A meeting between two or more people from different locations, facilitated by the use of video conferencing technology (telephone line, monitor and camera are needed in each location). Participants organise the seating in the meeting room so that all participants at the meeting may see each other. The conference call is dialed to the remote location, the chair of the meeting checks that all participants can be seen and heard and the meeting then commences.

Impact of Video-Conferencing

- Meeting can be conducted in real time from two different locations/parts of the world
- Fast, easy to set up video conference call
- Cost effective – avoids necessity to travel, saving both travel time and cost
- Environmentally friendly – reduces air miles
- May provide opportunities for more regular meetings – as cost is minimized
- Installation and training costs

(B) The barriers to effective communication in a business and methods to overcome barriers (describe and suggest methods of overcoming two barriers):

Language

If the language is too technical or too difficult for the audience to understand then the message may be misinterpreted.

Need to choose language appropriate to the audience. Short clear sentences, visual supports etc.

Wrong Medium

The medium chosen must be appropriate to the message been given.

A letter would be more appropriate than an e-mail if terminating employment.

'Texting' may be inappropriate for formal communications/medium chosen might be too slow for any action to occur.

Using e media when personal communication is the most appropriate.

Not Listening

If the intended recipient is not listening when a verbal message is being communicated the information will not be received correctly.

Synopsise, Summarise, Review, and Repeat the message.

Timing (Wrong timing/inadequate amount of time)

Communications takes place with a purpose in mind. If the message is sent too late the recipient may not be able to act on the information.

Plan the process. Enough time must be given to read/listen, understand, and respond to the message. Reduce speed in the interest of understanding.

No Feedback

The sender may be looking for feedback in order to take further action, e.g. the sales manager may require information from the production manager before taking an order from a customer.

Build in a feedback mechanism into the process e.g. a specific time slot for feedback / questionnaire etc.

Relationships between people/Credibility Trust

A lack of trust between the parties acts as a barrier to effective communication.

Build long term ethical relationships to ensure a trusting relationship exists.

Use communications training to overcome all the barriers.

Information Overload. Too much information given / Main points may be lost. Reduce the volume of information so that issues can be dealt with effectively.

(C) **The Impact of New Technologies on Business Opportunities** (illustrate):

- The increased use of technology in production allows for the **standardisation of production**, resulting in increased output/productivity and reduced costs.
- Applications such as computer aided design (CAD) make the design process easier and increase productivity. Computer aided manufacture (CAM) where all equipment can be computer controlled and computer integrated manufacturing (CIM) which involves total integrated control of the production from design to delivery, all add to the **efficiency of production**/fewer repetitive tasks.
- **New job opportunities** are created in service industries like hotel, catering and tourism businesses, and health and education service providers.
- **New products:** Some new products owe their existence and success to technology e.g. reserving seats on airlines and making hotel reservations from any part of the world at any time.
- **Research facilities with information** on businesses, people, countries, products, in the world at the touch of a button.
- **Spans of control can be widened.** Ability to monitor larger groups or groups which are geographically apart.
- **Organisation size can be reduced:** Fewer employees needed/lower costs and increases in efficiency.
- **Communications:** Staff can be equipped with laptops, mobile phones and e-mail links which enable instant communication leading to increased business efficiency/global communications.
- **Tele-Working:** With the use of broadband it is not necessary for employees to work together in the same building. This leads to savings on office costs and allows a business to hold on to staff who may prefer to work from home.
- **Marketing:** Many businesses now use the internet to market their goods and services. By creating a website a large number of potential customers can be reached at minimal cost/e-marketing/e-selling.
- **E-business:** Many business functions can be carried out using the internet e.g. E.D.I. Electronic Data Interchange where goods can be ordered automatically from a supplier when stocks go below a certain level.
- **Training:** In many occupations the training of workers can be done by or with the help of computers and the different software packages available.
- **New business methods:** Home banking; home insurance quotes; video conferencing; home offices.

(B) Importance of good communication between levels in an organisation (discuss):

Communication is concerned with the transferring of ideas, information, messages, etc. from a sender to a receiver with the main purpose being the understanding by the receiver of the sender's message.

- Offers the solution to conflict and misunderstanding in an organisation
- Improved staff morale
- Good industrial relations
- Effective decision-making
- Feedback

Levels in an organisation

- Downward
- Upward
- Lateral/horizontal.

(A) Notice and Agenda AGM youth Club

Notice is hereby given that the 20th Annual General Meeting of Deagóirí Youth Club will be held in the Clubhouse at Second Street, First Avenue, Waterford on the 11th of July 2005 at 8.00 pm.

The Agenda for the meeting will be as follows:

1. Minutes of the 2004 AGM as previously circulated
2. Matters arising from the minutes
3. Club Chairperson's Address
4. Club Secretary's Report
5. Club Treasurer's Report
6. Club Subscriptions for 2005/2006
7. Election of Officers
8. Election of Executive committee
9. Proposed amendments to the Club's constitution.
A.....
B.....
10. Any Other Business with the permission of the Chairman.

Kevin Mannix
Club Secretary.
Date 16th June 2005.

(B) Communicating

Communication is concerned with the transferring of ideas, information, messages, etc. from a sender to a receiver with the main purpose being the understanding by the receiver of the sender's message. Good communicators make use of all the forms to ensure that the messages transmitted are both clear, understood and acted upon.

Effective Communication

For communications to be effective and successful there must be no barriers to the process.

Unfortunately, both people and situations cause some barriers to be built up.

An organisation needs to be aware of common barriers to effective communications:

1. Noise. 'Noise' is any interference from outside the process, which leads to messages being misunderstood or in some cases the meaning of the message becoming completely changed.

2. Source Credibility. The likelihood of a receiver believing and trusting in an item of information is said to be directly related to the source from which it comes. There may be inbuilt prejudice on the part of both the sender and receiver of the communication. Different people have different biases and views.
3. Mistaken Assumptions. If the senders make assumptions about the target audience, e.g. that the receiver actually wishes to hear the message, then they should be correct assumptions supported by evidence.
4. The Climate of the Organisation. The attitudes of the management will influence the communications climate. The success of the communication process depends on the atmosphere in the organisation, ie whether it is one of fear or one of trust.
5. Lack of Planning The message may be unstructured, clumsy and lacking in conviction due to lack of planning and preparation. The objectives of the exercise must be decided before the communication takes place, e.g. is the purpose to inform, persuade, advise, share, consult etc? Once the objectives are clear then planning can take place. Plan the clarity and delivery of the message and plan to avoid barriers if possible.

When planning the communication, consideration must be given to the following:

The Language. The language must be suited to the audience. Technical jargon or 'buzzwords' often have different meanings for different people. Suit the language used to the capabilities of the receiver(s) of the message. Use technical jargon only when necessary. Organise all the ideas that make up the message well and express them as clearly as possible.

The Media. Decide on the most suitable medium or combinations of media for the job in hand, i.e. the most appropriate for the transmission of the message. Using media that combine hearing and seeing are often regarded as best because people tend to remember more of the message if it is both seen and heard at the same time. Pick a medium to suit the needs.

Communications in an Organisation.

(1) Downward Communications

Occur when instructions, orders, directions, etc. are transmitted from a superior to a subordinate. Usually designed to help the individual understand the task to be performed and avoid mistakes e.g. issuing detailed instructions on how to perform a particular job. One-way communication, no feedback from the receivers, no replies or responses.

(2) Upward Communications

Upward communications allow complaints, difficulties or suggestions to be reported up the line to the superior by the subordinate. The messages may be either written or oral and move in both up and down directions between manager and worker.

(3) Lateral (Horizontal) Communications

Maintained between people with the same level of authority in the organisation. To ensure that the various sections of the organisation work together at all times in the general interest of all eg the marketing department and finance department meet.

(4) Feedback

Good information is the basis of decision making. Successful communication of messages from and to decision-makers is vital. Everybody in the organisation should have the opportunity to influence decision making through providing feedback. By getting opinions through discussion, decision making may be slow but once a decision is reached then satisfaction with it is high. Feedback is important because:

It makes the message clear.

It allows the subordinates to have a say.

It brings everyone closer together.

It encourages a democratic style leadership.

18 (2004)

(C)(i) How introduction of technology affects an enterprise's Business costs.

If older technology is used in the production process, the amount produced is limited to that capacity. Better quality standards will be achieved by competitors who have acquired newer technology. Businesses have no option but to embrace new technological developments on an ongoing basis. Otherwise, they risk losing out to the competition in the market. Consider the consequences for producers of film cameras if they had not developed digital camera alternatives (in 2003 the number of digital cameras sold worldwide outstripped the film versions for the first time).

- There are huge capital costs associated with technology development. There is an increased risk to the enterprise because costly equipment has to be bought prior to selling the goods and creating cash flow eg. robotics for example, is a very expensive process involving a very complex production line.
- Changing technology reduces the number of workers required, e.g. using robotic equipment instead of people in automated production facilities.
- The emphasis is on quality and a far higher level of skill is required of the personnel. Multi-skilling (where people have a wide variety of job skills) is common in technologically advanced enterprises, and can reduce costs as fewer staff are required.
- Developments in technology, especially in information technology, changes the structure of the organisation. Large amounts of data can now be collected, analysed and interpreted very quickly. Less middle management is required.
- Decision-making at all levels, from top management down, is helped. Communications between the functions in the enterprise and between the people in the enterprise are improved. Training costs in the organisation must increase to help the process.
- Modern technology increases the speed of innovation and therefore shortens the life cycle of products, requiring new products or new developments/applications of old products. The associated research and development costs can be daunting. More personnel are required in this area.

(ii) The Impact of Technology on Business Opportunities

- The increased use of technology in production allows for standardisation of production, resulting in increased output/productivity and reduced costs.
- The employment of fewer resources leads to an increase in output with lower unit costs, e.g. the use of bar codes in supermarkets means that more goods can be handled and recorded more accurately and more quickly by fewer staff.
- Applications such as computer aided design (CAD) make the design process easier and increase productivity. Computer aided manufacture (CAM) where all equipment can be computer controlled and computer integrated manufacturing (CIM) which involves total integrated control of the production from design to delivery, all add to the efficiency of production.
- New job opportunities are created in service industries like hotels, catering and tourism businesses, and health and education services. It must be remembered that the service industries consume large amounts of manufactured goods. Tourism must have buildings, stationery, computers, food and beverages, etc. just as education needs paper, equipment and resources, etc.
- New products can be developed through the use of technology. In fact, some new products owe their existence and success to the fact that technology makes it possible to process information very speedily, e.g. reserving seats on airlines and making hotel reservations from any part of the world at any time.
- Extensive research facilities with information on businesses, people, countries, products, etc. are available immediately anywhere in the world at the touch of a button.
- Businesses can not only organise differently but the role of management can be changed because of technology. Large enterprises can be located anywhere and spread their activities to distant locations or even worldwide (globalisation).
- Spans of control can be widened because of the increased ability to monitor larger groups or groups which are geographically apart.
- The size of the organisation can be reduced leading to lower central costs and increases in efficiency.
- Technology helps the organisation to become flatter. Far fewer middle managers are needed as the decision-making roles are given to those people closest to the customer or to project teams. The provision of good timely information will result in quicker decisions.
- The use of information technology in sales and marketing offers enterprises the opportunity to keep a regular check on consumption patterns, consumer attitudes in the market and to pick out the section of the market to focus on. There should be better customer satisfaction due to the more focused service.
- Salespeople can be furnished with mobile telephones, laptop and email links, etc. which all contribute to business efficiency.



- There are opportunities to reduce costs such as travel, meetings, etc. by using electronic mail and video conferencing.
- Information technology offers business the chance to make better use of expensive human resources, e.g. by reducing the numbers employed to do the work or improving the efficiency of those employed.

