

## Business objectives: non-financial

### 1. Missing words

Although one of the key aims for firms is to make a \_\_\_\_\_, many entrepreneurs have other, non-financial objectives for starting up and running a business. For example, someone might decide to start up a business because they are frustrated in their \_\_\_\_\_, or believe they can do better. Other non-financial \_\_\_\_\_ for starting a business may include the need to prove yourself, or to try and make the world a better place. The \_\_\_\_\_ sector is becoming more significant in the UK, and includes organisations with social goals, such as bringing clean drinking water to Africa.

**Hint: words from: job, not-for-profit, objectives, profit**

### 2. Non-financial objectives – matching activity:

Choose the most likely non-financial objective on the right for each of the entrepreneurs described below:

Entrepreneur	Non-financial objective
2.1. Someone who resents the lack of consultation in their current job and disagrees with company policy.	a) To take on new challenges, perhaps by developing a hobby into a business venture
2.2. Someone who gave up a job some years ago to raise a family – all of whom have now left home.	b) A need to overcome feelings of failure and a desire to prove yourself.
2.3. Someone who left school at sixteen with no qualifications.	c) A desire to change the world and improve the lives of others.
2.4. Someone who feels strongly about social injustice.	d) To have more control over decision-making and to be your own boss.

### 3. True or False? (Write a T or F by each of the following statements)

- 3.1 The only way of judging the success of a business is by the amount of profit it makes.
- 3.2 People often set up their own businesses in order to have more control over what they do at work.
- 3.3 A social enterprise is a business organization that aims to make a loss.
- 3.4 A social enterprise is an organization that attempts to achieve social goals through business methods and activities.
- 3.5 People who work for social enterprises are less motivated than those working for other firms because there is no need to make profits.

### 4. Non-financial objectives - multiple choice questions:

4.1 Stephanie is 30 years old and has decided to set up her own, home-based book-keeping business after being made redundant for the third time. Which **two** of the following are likely non-financial objectives behind her decision?

- a) To generate more income than she was earning in her previous job
- b) To generate more income than she would receive by claiming benefits
- c) To prove to friends and family that she has the skills to run a business
- d) To have enough money to retire in 25 years time
- e) To be able to work more flexibly in order to see more of her family
- f) To overcome feelings of failure resulting from her job loss

4.2 Harry and Marcus are life-long friends who had planned to start a business since they were at school. They set up Firefly Tonics in 2002 after working for some years for consultancy firms in London. The company produces healthy energy drinks that contain no caffeine or added sugar.

Which two of the following are likely non-financial objectives for Harry and Marcus when they set up their business?

- a) Because they were unable to find a job with another firm
- b) Because they wanted the challenge of getting a new business off the ground
- c) Because they enjoyed working together
- d) Because they knew the idea was guaranteed to work
- e) Because they believed they would make more money running their own business.

## 7. ANSWERS – Business objectives: non-financial

1. profit ... job ... objectives ... not-for-profit

2.1. d)

2.2. a)

2.3. b)

2.4. c)

3.1 FALSE

3.2 TRUE

3.3 FALSE

3.4 TRUE

3.5 FALSE

4.1 c) f)

4.2 b) c) (NB e) is a very plausible answer, but not to a question about non-financial objectives)

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