
Entrepreneurship in organised crime

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Abstract: Organised crime has received increased attention in recent years. To fight organised crime, there is a need to understand criminal organisations. In this paper, terminology from the business and management literature is applied to the growing area of organised crime. Rather than thinking of organised crimes as acts of criminals, this paper suggests the understanding of criminal organisations as similar to noncriminal organisations. The purpose of this conceptual research paper is to apply organisational and management concepts such as entrepreneurship to criminal business enterprises to shed light on organised crime.

Keywords: enterprise paradigm; criminal organisation; innovation; business growth; entrepreneur.

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1 Introduction

Unfortunately, innovation and learning does not only occur in legal enterprises. Many illegal enterprises seem to innovate and learn quickly over time. Illegal enterprises include those involved in trafficking, narcotics, smuggling and other criminal activities. For example, Abramova (2007) expected more transnational organised crime to originate in Russia in the future based on innovation and learning. The leaders of Russian criminal organisations, having established and/or legalised their positions in key industries at home, will try to expand their economic influence abroad. For this purpose, they are most likely to use the methods perfected in Russia – violence, fraud and corruption, in addition to the financing of their legal enterprises (Kapustkina, 2008). They will not limit themselves to creating new affiliate criminal structures abroad, but will try to carve out a

share of the existing criminal markets overseas. This will transfer hostilities between organised crime groups to other lands, particularly Southern Europe, South-East Asia and selected key countries in the West.

The purpose of this conceptual research paper is to apply organisational and management concepts such as entrepreneurship to criminal business enterprises to shed light on organised crime. Organised crime has received increased attention in recent years. To fight organised crime, there is a need to understand criminal organisations (Dean *et al.*, 2008; Fahsing *et al.*, 2007). In this paper, terminology from the business and management literature is applied to the growing area of organised crime. Rather than thinking of organised crimes as acts of criminals, this paper suggests the understanding of criminal organisations as similar to noncriminal organisations.

2 Organised crime

Organised crime is any crime committed by persons occupying, in an established division of labour, positions designed for the commission of crime. Furthermore, organised crime is crime committed by criminal organisations whose existence has continuity over time and across crimes and use systematic violence and corruption to facilitate their criminal activities. These criminal organisations have varying capacities to inflict economic, physical, psychological and societal harm. The greater their capacity to harm, the greater the danger they pose to society. Organised crime involves a continuing enterprise in a rational fashion, geared towards profit achieved through illegal activities (Duyne *et al.*, 2003; Duyne *et al.*, 2005; Wright, 2006). It is an ongoing criminal conspiracy, with a structure greater than any single member and the potential for corruption and/or violence to facilitate the criminal process. Some criminal organisations develop illegal markets for their goods and services (Woodiwiss, 2001).

To speak about organised crime, according to the European Union (EU), at least 6 out of 11 characteristics need to be present, four of which must be those numbered 1, 3, 5 and 11 out of the following list (Elvins, 2003):

- 1 Collaboration of more than two people
- 2 Each with his/her own appointed tasks
- 3 For a prolonged or indefinite period of time
- 4 Using some form of discipline or control
- 5 Suspected of committing serious criminal offences
- 6 Operating at an international level
- 7 Using violence or other means suitable for intimidation
- 8 Using commercial or business-like structures
- 9 Engaged in money laundering
- 10 Exerting influence on politics, the media, public administration, judicial authorities or the economy
- 11 Determined by the pursuit of profit and/or power.

Characteristic 8 suggests commercial or business-like structures, as assumed and explored in terms of managing organisations in this paper. Several other characteristics are similar to the characteristics of traditional projects. For example, a project is normally a collaboration of more than two people (1), each with his/her own appointed tasks (2) and for a prolonged, not indefinite period of time (3). While an organised crime will seldom be for an indefinite period of time, the criminal organisation might very well be. Compared to legal business projects, we suggest that criminal projects have a tighter control structure.

The economic crime division within the Department of Crime Problems at the Council of Europe (2002) applied the following definition of organised crime when evaluating crime analysis:

“Organized crime means the illegal activities carried out by structured groups of three or more persons existing for a prolonged period of time and having the aim of committing serious crimes through concerted action by using intimidation, violence, corruption or other means in order to obtain, directly or indirectly, a financial or other material benefit.” (p.6)

Criminal organisations are active and strategic in their efforts to bribe policemen. Kugler *et al.* (2005) found that cooperative police officers are helpful to criminal organisations by passing information to them about police investigations and planned raids and by making deliberate changes in prosecutions. Such changes might then ensure that the charges against the criminals will not result in guilty verdicts. The corruption of police officers is made easier in many countries by the fact that they are modestly paid and, therefore, are subject to temptation. Combined with violence and threats of violence, corruption is an effective strategy for many criminal organisations.

People tend to believe that large-scale criminal organisations dominate the production, distribution and sale of illegal drugs all over the world. Paoli (2001) questioned this belief by doing fieldwork in Italy, Russia and Germany. She found that the great majority of drug deals, even those involving large quantities of drugs, were carried out by numerous, relatively small and often temporal groups. Many drug enterprises were ‘crews’: loose associations of people who form, split and come together again as each opportunity arises. In crews, positions and tasks are usually interchangeable and exclusivity is not required. Many crew members frequently have overlapping roles in other criminal enterprises.

Paoli (2001) argued that law enforcement agencies often resort to drawing the picture of large-scale criminal organisations to back their requests for extra funding. She found that it is the ‘invisible hand of the market’ that reduces the effects of their repressive actions. At the retail level, the number of people willing to sell drugs seems to have no end. When five Moroccans are arrested in Milan or Frankfurt, there are 50 people ready to do the same job for less.

While criminals seldom act alone, they do not necessarily join a criminal organisation. Rather, they often form more or less temporary networks of collaboration (Pérez, 2007). Links allow criminals to coordinate their efforts and derive spillover benefits.

Using the theory of the firm enables analysts to compare aspects of legitimate business with those of organised criminal groups across a number of dimensions that generate transaction costs. These include their organisation, boundaries, goals and objectives, competition and rent seeking. Each of these involves transaction costs,

which vary according to the extent to which an enterprise is licit or illicit. Table 1 sets out a comparison of legitimate businesses and organised criminal groups across these dimensions.

Table 1 Comparison of legitimate businesses and organised crime groups

Dimension	<i>Legitimate businesses</i>	<i>Organised crime groups</i>
Enterprise	Activities cover the whole range of goods and services above the legal limit. May be involved in legal forms of power brokering or security/protection.	Illicit; covering only a range of goods and services below the legal limit. These often involve illicit forms of power brokering or security/protection based on threats and violence.
Transaction costs	Apply to all transaction costs, including incentives, cooperation and enforcement. There is a tendency to minimise such costs to support profits.	Apply to all transactions, including incentives, cooperation and enforcement. In particular, they are relevant to the security and survival of the group.
Organisation	Generally hierarchical; sometimes bureaucratic in structure, but is now less so. There are exceptions in some specialist fields, where structures are less defined. Transaction costs because of organisational structures may be somewhat higher than in organised crime groups.	Hierarchical, nonbureaucratic, in loose confederations, often with partners. Organisational transaction costs may be lower than in legitimate businesses, although applying too many Draconian sanctions may increase them.
Boundaries	Legal and ethical boundaries. Businesses may impose strategic boundaries by choice. Multinational organisations have only limited jurisdictional boundaries.	No jurisdictional, legal or ethical boundaries. Transaction costs are comparatively low in this dimension.
Goals and objectives	Generally accessible, although some business strategies are kept confidential for commercial reasons. There are often multiple goals to satisfy a range of constituencies within the firm.	Clandestine to protect the group and its leaders. Except in 'expressive' gangs, goals are generally limited to those that maximise profitability. Transaction costs are minimised in this respect.
Profitability	Optimising 'satisficing' behaviour depending on the type of business, the multiplicity of its goals and the character of its executive and stakeholders.	Generally maximising, although personal generosity is not unknown.
Competition	Competitive edge preserved through technology, research, marketing and intellectual property rights. Not adverse to corruption to achieve their ends in some environments.	Competitive edge preserved by means of coercion, violence and use of capital resources for corruption on a regular basis. These may appear to reduce transaction costs, but there may be a long-term price to pay.
Rent seeking behaviour	Some rent-seeking behaviour to achieve specific goals. It is rarely immanent in the functions and purposes of the business.	Almost constant rent-seeking behaviour, which is often immanent in the functions and activities of the group.

Source: Wright (2006, p.60)

3 Criminal entrepreneurship

Symeonidou-Kastanidou (2007) argued that there is a need for a new definition of organised crime, where entrepreneurial structure is included as an important element. An entrepreneur is a person who operates a new enterprise or venture and assumes some accountability for inherent risks. An entrepreneurial talent is seen as a person who takes the risks involved to undertake a business venture. Entrepreneurship is often difficult and tricky, as many new ventures fail. In the creation of for-profit enterprises, entrepreneurs are often synonymous with founders. Business entrepreneurs often have strong beliefs about a market opportunity and are willing to accept a high level of personal or professional or financial risk to pursue that opportunity.

Why does a criminal entrepreneur choose to organise a criminal business enterprise to exploit a market opportunity? Alvarez and Barney (2007) argued that entrepreneurial opportunities can be exploited in a variety of ways and sought to understand the conditions under which organising an enterprise is the most efficient way to exploit a particular opportunity.

Opportunities to create new economic value exist because of the demand for goods and services in illegal markets. Entering an illegal market as an entrepreneur is based on the assumption that there are competitive imperfections reflecting changes in technology, demand or other factors that individuals or groups in an economy attempt to exploit. For example, Ismael Zambada-Garcia is a Mexican drug lord. He is a *capo* (captain) and head of the Sinaloa cartel in Mexico. He is 'El Mayo', Mexico's top drug dealer. He climbed to the top by eliminating rivals and becoming victorious over Colombia's cocaine producers. Zambada-Garcia indirectly had help from the police because the police in Mazatlan shot and killed Ramon Arellano Felix, his most powerful rival, in 2002. Felix's Tijuana cartel was weakened, while Zambada-Garcia's Sinaloa cartel was strengthened (Small and Taylor, 2006). Competitive imperfections were created by Zambada-Garcia's purposeful actions.

Whatever the source of competitive imperfections, their existence *per se* often only holds the potential to create new economic value (Alvarez and Barney, 2007):

"The realization of this potential often requires additional economic activities, activities that sometimes require the organization of a firm and sometimes can be organized through other governance mechanisms, such as arbitrage and alliances." (p.1058)

Alvarez and Barney (2007) argued that if a particular individual possesses all the resources – whether tangible or intangible – necessary to create economic wealth associated with a market opportunity, no additional economic organisation is required to exploit this opportunity. The individual is said to engage in arbitrage if he or she possesses all the resources necessary to exploit a market opportunity; thus, no additional coordination through economic organisation is required to create economic value.

If an individual does not possess all the resources required to exploit an opportunity, access to those resources will need to be obtained by the entrepreneur. This can be done in a variety of ways. For example, the entrepreneur can recruit the owners of these resources into a hierarchical structure to gain the access required to exploit an opportunity. Alternatively, the entrepreneur might form an alliance with the owners of these resources in a network structure to gain access.

Entrepreneurial leadership is characterised by judgement in decision making. Judgement is where individuals take decisions without access to any generally agreed rule that could be implemented using publicly available information known to be true. For instance, a drug dealer who buys before he or she knows the price at which it can be resold must make a judgement about what the future price will be. Judgement primarily refers to business decision making when the range of possible future outcomes is generally unknown. Judgement is required when no obviously correct model or decision rule is available or when relevant data are unreliable or incomplete (Foss *et al.*, 2007).

Entrepreneurial judgement is ultimately judgement about the control of resources. As an innovator, a leader, a creator, a discoverer and an equilibrator, the entrepreneur exercises judgement in terms of resource acquisition and allocation to prosper from criminal business opportunities. As the founder and developer of the business enterprise, the entrepreneur must exercise judgemental decision making under conditions of uncertainty (Foss *et al.*, 2007).

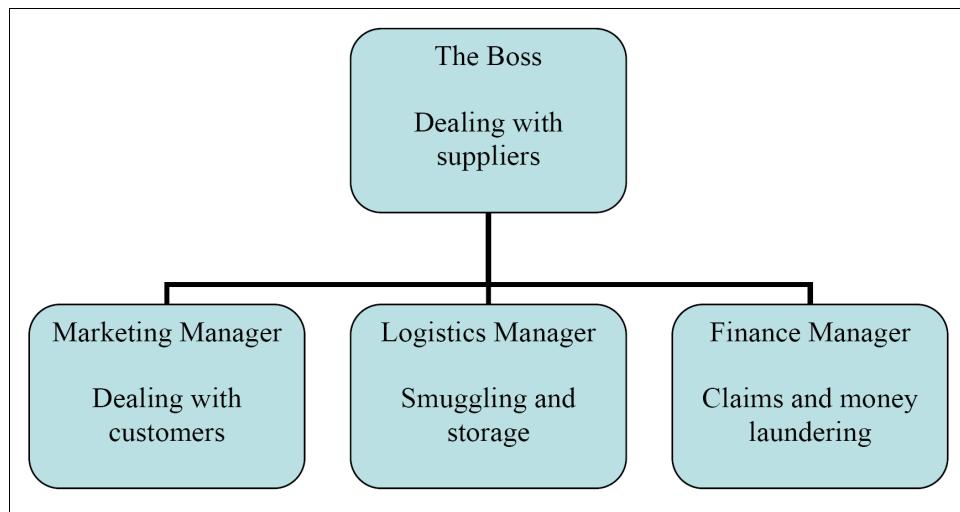
4 Criminal enterprises

This paper is based on the enterprise paradigm, which assumes that legal and criminal organisations have similarities. Also, Lyman and Potter (2007) based their book on the enterprise paradigm by discussing alternatives and identifying the special characteristics of criminal organisations. Specifically, Lyman and Potter (2007, p.71) distinguished between criminal groups and criminal businesses:

- Groups engaged in criminal enterprises are loosely structured, flexible and highly adaptable to environmental impacts. These enterprises respond readily to the growth and decline of a market for a particular illicit good or service and the availability of new distributors and manufacturers.
- Organised crime is a business and has many similarities to legal businesses. However, because organised crime conducts its business in the illegal marketplace, it is subject to a series of constraints that limit and define its organisational structure, size and mode of operation.

Furthermore, Lyman and Potter (2007, p.73) also identified hostile and uncertain environments as two distinguishing characteristics for criminal organisations:

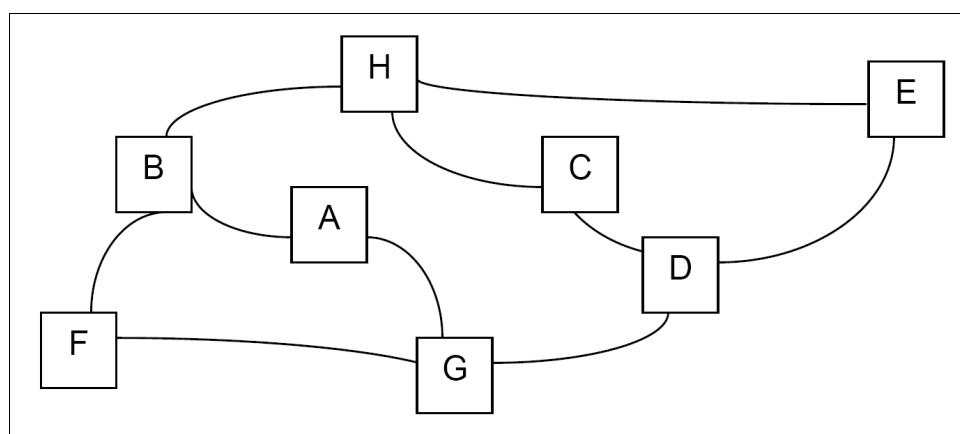
- 1 All criminal enterprises exist in relatively hostile environments primarily as a function of their illegality. As a result of functioning in a hostile environment, criminal enterprises avoid complex technologies and stay small in size with little organisational complexity, formality (*i.e.*, formal rules, procedures, chains of command) is lacking and the organisations are based on mutual understandings and relatively discrete and concise sets of operating procedures.
- 2 All criminal enterprises exist in relatively uncertain environments, both as a function of the illicit market and the uncertain and changing nature of law enforcement policies and public attitudes. As a result, the danger of structural elaboration for criminal enterprises increases with the degree of uncertainty. However, the uncertainty of the environment requires that organisational structures be informal, with decentralised decision-making authority.

Figure 1 The bureaucracy model for criminal enterprises (see online version for colours)

Abadinsky (2007) stated that a typical bureaucracy might be problematic for criminal organisations:

"Many aspects of bureaucracy are impractical for criminal organizations because they must be concerned with the very real possibility that communications be monitored. Telephone use must be limited (often only to arrange in-person meetings), and written communication is avoided. Information, as well as orders, money, and other goods, is transmitted on an intimate, face-to-face basis. Lengthy chains of command, characteristic of modern bureaucracy, are impractical for IC, and this limits the span of control." (p.6)

An alternative is the network model, as illustrated in Figure 2. If a criminal at A wants to contact someone at H, he or she might communicate either through B or G, D and C or maybe G, D and E.

Figure 2 The network model for criminal enterprises

Here, functions such as marketing, logistics and finance may be spread to several places in the network. In the US mafia, a place might be a family (Abadinsky, 2007):

“The member of the American Mafia, acting as a patron, controls certain resources as well as strategic contacts with people who control other resources directly or who have access to such persons. The member-as-patron can put a client “in touch with the right people”. He can bridge communication gaps between the police and criminals, between businessmen and syndicate-connected union leaders; he can transcend the world of business and the world of the illegitimate entrepreneur. He is able to perform important favors and be rewarded in return with money or power. There is a network surrounding the patron, a circle of dyadic relationships orbiting the OC member in which most clients have no relations with another except through the patron.” (p.8)

Contrary to received wisdom, Colombia’s drug trade was never dominated by a price-fixing association. Even during the respective heydays of the Medellin and Cali ‘cartels’, cocaine production and exportation in Colombia was highly competitive, as independent trafficking groups in more than a dozen cities smuggled substantial amounts of cocaine to US and European drug markets. While some of these enterprises transacted with Pablo Escobar, the Ochoa brothers and other prominent traffickers, their business relations more closely resembled informal producer-export syndicates than public or private cartels that controlled prices and monopolised markets. Although different groups occasionally pooled their resources to complete large-scale drug shipments while reducing their exposure to government authorities, they steadfastly maintained their own sources of supply, financing and clientele (Kenney, 2007).

Albanese (2004) argued that the enterprise model of organised crime grew out of dissatisfaction with both the hierarchical and local ethnic models that have been dominating so far. A growing number of investigations had found that relationships between individuals (hierarchical, ethnic, racial or friendship) were the genesis of organised crime activity (as opposed to individual, less organised forms of criminal behaviour). The view was that if the factors causing these illicit relationships to form (*i.e.*, conspiracies), could be isolated, a determination might be made about the true causes of organised crime. It is the conspiratorial nature of organised crime that makes it serious. It is not the individual drug dealer and illegal casino operator that causes public concern; what causes it is how these individuals organise their customers, suppliers and functionaries to provide illicit goods and services for profit.

The realisation that organised crime operates as a business spurred a series of studies in an effort to isolate those factors that contribute most significantly to the formation of criminal enterprises. For example, when applying general organisation theory to criminal activity, it can be found that organised crime stems from the same fundamental assumptions that govern entrepreneurship in the legitimate marketplace: a necessity to maintain and extend one’s share of the market. According to this finding, organised crime groups form and thrive in the same way that legitimate businesses do: they respond to the needs and demands of suppliers, customers, regulators and competitors. The only difference between organised crime and legitimate businesses is that organised criminals deal in illegal products, whereas legitimate businesses generally do not (Albanese, 2004).

The business enterprise model of organised crime focuses on how economic considerations, rather than hierarchical or ethnic considerations, lie at the base of the formation and success of organised crime groups. Regardless of ethnicity or hierarchy,

the enterprise model labels economic concerns as the primary cause of organised criminal behaviour. A study of illicit drug sales in south-west USA found that drug markets consisted of small organisations rather than massive, centralised bureaucracies and were competitive rather than monopolistic in nature. A study of book making, loan sharking and numbers gambling in New York City did not find them as monopolies in the classic sense or subject to control by some external organisation. Instead, economic forces arising from the illegality of the product tended to fragment the market, making it difficult to control or centralise these illegal activities on a large scale. The supply of illegal goods does not seem to be marked by a tendency towards the development of large-scale criminal enterprises due to the illegal nature of the product. Instead, smaller, more flexible and efficient enterprises characterise this type of organised crime (Albanese, 2004).

As a business enterprise, organised crime is seen as the product of market forces, similar to those that cause legitimate businesses to flourish or die in the legal sector of the economy. The major characteristics of the enterprise was summarised as follows by Albanese (2004):

- organised crime and legitimate business involve similar activities on different ends of a spectrum of business enterprise legitimacy
- operations are not ethnically exclusive or very violent in order to enhance profit
- criminal organisations are rarely centrally organised due to the nature of the markets and activities involved.

It is economic relationships, rather than personal relationships, that form the basis for organised crime activity. Organised crime activity is seen as a deviant variation of legitimate business activity, which is often interethnic and nonviolent, because these latter two factors enhance profit maximisation. Organised crime can be interethnic in nature and also less violent than is commonly believed. For example, when Jews dominated the cocaine trade in New York City during the early 1990s, there was also notable evidence of interethnic cooperation involving Italian, Greek, Irish and Black participants (Albanese, 2004).

5 Growing the crime business

Ruggiero (2000) told the story of how organised criminals opened up the new criminal market for heroin in the UK. Until 1968, heroin was bought legally with a medical prescription, which partly ended up feeding a grey market. Then, new legislation limited medical doctors' power to prescribe, which stimulated criminal entrepreneurs to develop a black market. A turning point for drug distribution occurred a decade later, as a locally centred and poorly structured supply chain was replaced by organised professionals' well-structured supply chains. The explosion of heroin consumption probably stimulated this turning point in the early 1980s.

Despite mature markets, ageing assets, imprisoned staff members, ageing procedures and increased competition, attractive growth opportunities still exist. Similar to legal enterprises, criminal enterprises may have five ways to grow their business (Perkowski, 2007):

- 1 *Establish a joint venture or strategic alliance in a high-growth geographic market* – It used to be that the large size of many markets meant that local organised crime did not need to look beyond the border for new markets. It made sense to focus on serving and expanding domestic markets. But today, globalisation, increased offshore manufacturing and the breakdown of trade barriers call for joint ventures (Luo, 2002). For example, the Russian mafia has entered into joint ventures with Colombian cocaine cartels to expand their criminal activity into more markets.

A joint venture is an entity formed between two or more parties to undertake economic activities together. The parties both agree to create a new entity by contributing assets and sharing in the revenues, expenses and control of the enterprise. The venture can be for only one specific criminal project or a continuing business relationship. This is in contrast to a strategic alliance, which involves no assets by the participants and is a much less rigid arrangement.

A joint venture exists between the Heavenly Alliance in Taiwan and trafficking organisations in mainland China. While a trafficking organisation supplies women, the Heavenly Alliance arranges ‘marriages’ and ‘visits’. Women are smuggled from mainland China to Taiwan. Because the rules for visiting relatives are very strict, it is difficult for mainland Chinese to obtain a visa to visit their relatives in Taiwan. Therefore, fake marriages are arranged for sex workers (Finckenauer and Chin, 2006). As the prostitution market is growing in Shanghai and other Chinese cities, the Heavenly Alliance may be interested in a new kind of joint venture where their business concept of a jockey is implemented.

By joining forces with developing foreign businesses, local criminal businesses gain access to high growth markets in a developing country and may better serve the existing and new customers who are expanding there. For example, in terms of joint-venture projects, criminal organisations dealing in drugs, gambling and prostitution may find it attractive to make money during Olympic games in foreign locations, such as in Beijing in 2008.

- 2 *Collaborate to satisfy an unmet customer need* – Rather than focusing on the supply of certain illegal goods and services, attention should shift to distinctive solutions for customers. To break away from the pack and offer new, better and more distinctive solutions to customers, producers need to learn how to collaborate with suppliers, customers and/or competitors. This is difficult to do effectively and needs a strong commitment by all parties in order to work. Fortunately, if successful, this difficulty represents a barrier to entry and, therefore, ensures less competition and higher margins.

This growth strategy is common in a number of legal as well as illegal businesses. For example, if the criminal organisation is in the business of stealing and smuggling stolen cars, it may increase its revenues if it, at the same time, is able to handle money laundering for customers buying the cars.

- 3 *Diversify or expand product offerings to the best customer segment* – Based on a demand curve, the criminal business enterprise knows that the best customers are willing to pay more than the market price for its products. If the enterprise was to offer complementary goods and services, then the highest prices have to be achieved in the best customer segment. It is necessary to first have a clear understanding of who the most profitable customers are and identify what additional goods and services they need.

- 4 *Eliminate the bottom ten percent of the business* – To grow a criminal business, it is necessary to ensure that it only competes in markets where it has a strong competitive advantage. When an advantage does not exist, it is necessary either to invest to attain it or withdraw from the market completely. While withdrawal means lower volumes in the short term, it often ultimately leads to a stronger, more sustainable enterprise and one that is better positioned to grow in core markets.
- 5 *Leverage underused intangible assets in the business* – Internal capabilities, competencies and knowledge that have evolved to support the current business are often overlooked as possible sources of competitive advantage (Paiva and Goncalo, 2008). Even worse, they are sometimes viewed as expendable when the focus is on cost cutting and streamlining the organisation. These intangible assets are typically information-based and include customer relationships, access to supply networks and corrupt politicians. The critical challenge is often to identify how best to leverage these assets.

Similarly, DiModica (2007) suggested methods to grow the business. The first step is to identify the market gap, which is to discover and uncover sales opportunities where the market demand is greater than the supply. The next step is to pick a growth model where the alternatives are labelled market duplication, market variation, market symbiotic attachment, market consolidation, market innovation (Morcillo *et al.*, 2007) and new market launch.

Growth as a goal has to be both short-term and long-term to achieve both prosperity and viability. Business growth has to be accompanied and supported by growing leaders; otherwise, it may go wrong. The US managers in Hyundai Motors and Kia Motors never seemed to please their Korean superiors and the North American management staff was in constant turnover. Then, the chairman of Hyundai Motors, Chung Mong-koo, and his son, Kia Motors president Chung Eui-sun, came under investigation for their roles in scandals involving political slush funds and the misuse of company money.

Matthews (2005) identified four factors that are essential for growth:

- 1 *Talent* – An entrepreneur takes the risk to create something from nothing. Such talent must be developed by educating people about the basics of entrepreneurship and foster their entrepreneurial instincts. Some people are more predisposed and willing to take risks than others. Not everyone has the skills or knowledge to grow a business enterprise.
- 2 *Idea* – To meet a target customer's needs and wants, the criminal enterprise must have a 'better idea' than its competitors and law enforcement. The idea is broken down into resources and organising, as well as products and markets.
- 3 *People* – Good criminals may be hard to find. They will often tend to favour opportunistic behaviour where their own goals are more important than the goals of the criminal business enterprise. Thus, it is important to recruit knowledgeable people who stay loyal in critical situations. Management needs to lead people, build an organisation for growth and develop an approach to align criminals' efforts around the execution of a growth strategy.

- 4 *Capital* – While entrepreneurs may have the personal resources to start a company, very few have enough to grow a company. This is especially the case in criminal business enterprises, where the entrepreneurs enjoy a luxurious standard of living without securing funds through money laundering for future investments. Most need to learn how to manage their balance sheet, do debt financing, trust strategic alliances and joint ventures and understand finance.

6 Conclusion

The attributes of criminal organisations that make the crimes they commit organised crime include criminal sophistication, structure, self-identification and the authority of reputation, as well as their size and continuity. These criminal organisations exist largely to profit from providing illicit goods and services for the public or providing legal goods and services in an illicit manner. But they may also penetrate the legitimate economy or, in the case of the mafia, assume quasi-governmental roles. However they choose to do it and whatever they chose to do, their goal remains the same: to make as much money as they can. Based on such an understanding of organised crime, this research paper has explored the organisational and management concepts from legal businesses to shed light on criminal organisations.

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