**Final Business Decisions**

**Entrepreneur Options**

* There are more options of being an entrepreneur than just starting your own business from scratch:
  + **Buy an existing business**
  + **Open up a franchise-** this is a legal agreement that gives an individual right to market a company's products or service in a particular area.
  + **Enter a family business**

**Types of Ownership**

* Once you start your own business you must decide what type of ownership you want.
* **Sole Proprietorship-** is the simplest business form under which one can operate a business. The sole proprietorship is not a legal entity. It simply refers to a person who owns the business and is personally responsible for its debts.
  + Local business examples
* **Partnership-** A partnership is a single business where two or more people share ownership. Each partner contributes to all aspects of the business, including money, property, labor or skill. In return, each partner shares in the profits and losses of the business.
  + Walmart, Skype, Intel, Target
* **Corporation-** A corporation (sometimes referred to as a C corporation) is an independent legal entity owned by shareholders. This means that the corporation itself, not the shareholders that own it, is held legally liable for the actions and debts the business incurs.
* **Limited Liability-** A limited liability company (LLC) is a hybrid type of legal structure that provides the limited liability features of a corporation and the tax efficiencies and operational flexibility of a partnership. The "owners" of an LLC are referred to as "members." Depending on the state, the members can consist of a single individual (one owner), two or more individuals, corporations or other LLCs.

**Choose a Location**

* Your location plan will help ensure that your product is available in the right location to reach your target customer. You can either lease, rent or buy a space.
* Locations:
  + Downtown areas
  + Neighborhood/ community / regional shopping centers
  + Stand-alone stores
  + Warehouses
  + Industrial
  + Home-based
  + Virtual

**Building Design**

* Once you own a building it is essential to have a nice design, layout, or floor plan to have a successful business.
* You need space for employees, merchandise, storage, offices, restrooms, storages, etc.
* Steps to creating your design:
  + Create a floor plan
  + Takes measurements
  + Draw a floor plan
  + Give it an atmosphere appealing to your customers
  + Setup building

**Financing Your Business**

* As you start your business you will have to assess your financial needs.
* You need to consider your startup costs.
  + Equipment, materials and supplies, employees, building, advertising, etc.
* If you have investors, where will it be coming from?
  + Personal contributions, friends and relatives, venture capitalists

**Purchasing**

* Every business has to have equipment, supplies, and inventory.
* **Inventory**- is a complete list of items such as property, goods in stock, or the contents of a building
* To be able to do this you will need **Vendors**. This is a person or company offering something for sale, especially a trader in the street.
* Be sure to research in this area to make the best possible choice.

**Financial Management**

* It is essential to manage cash flow as a business owner. You need to make sure you have enough cash to pay expenses and make purchases.
* Create a budget- this should show money coming in and out.
* Improve cash flow- make adjustments to your finances to ensure you can make more money.
* Prepare and Analyze Financial Statements- You need to review your finances and review your business and its profits, debts, and equity.
* Set and meet profit and sales goals

**Operating Procedures**

* When you own a business, you will want to have an operating procedure to make sure your business is running smooth.
* Planning is essential to set goals, analyze information, make decisions.
* Organize- assign tasks, group tasks into departments, create an organization structure,
* Policies- Operating, customer service, delivery, hiring, and safety.

**Hiring Staff**

* The people who work for your business are human resources.
* The management functions of staffing, implementing, and controlling can be directly applied to the people who work for you.
* Need to think about the following:
  + What kind of employees do I need?
  + What skills am I missing?
  + What skills do I need daily?
* You need to draw a map of how you want your organizational structure to look for employees, and what salaries you can afford.
* Then you need to recruit employees, interview candidates, and make job offers.

**Risks**

* You will face many risks when you are an entrepreneur. **Risk** is the possibility of some kind of loss.
* Prepare to face risks by **risk management**. This is taking action to prevent or reduce the possibility of loss to your business.
  + To do this come up with a plan to help avoid risk.
* Types of Theft- shoplifting, employee theft, robbery, credit card fraud, bounced checks.
* With risk it’s always a great idea to think about getting insurance.

**Growth**

* Sooner or later it’s time to think about expanding your business to be more successful.
* Determine when to expand- what does your business and the market look like?
* Choose a growth strategy- new building? More product?
* Control your growth- grow in a reasonable way that you can manage
* New Product Development- what’s the next big product or idea?