

How i want to start a business venture: quick italian pizza

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The business venture I want to start is called Quick Italian Pizza. Quick Italian Pizza is a restaurant concept that involves providing gourmet pizza at a quarter of the time it takes to cook traditional pizza. The product offered by the store prepared using an Italian pizza recipe called Neapolitan pizza. This style of pizza is cooked using brick ovens. Brick ovens are able to cook delicious pizzas in three minutes by cooking the pizza at 900 degrees instead of 450 degrees Fahrenheit. The structure that is going to be used to set up the business is the corporate structure. Corporations provide many benefits to the owner such as the ability to raise capital easier, limited liability, access to more governmental incentives, and tax benefits (Weygandt, Kieso, Kimmel, 2002). The use of the corporation structure allows companies that grow the ability to raise more money by issuing common stocks or by selling corporate bonds. In order to perform these types of financial transactions corporations must register with the Securities and Exchange Commission (SEC) and they must go public. Accounting is a very important function that must be taken very seriously by any person that decides to start a business. Accounting plays a critical role for entrepreneurs. When starting a company part of the business plan includes accounting projections and numbers. The use of accounting can help a businessperson determine whether a business venture is worth investing in based on the financial projections. The use of Pro-Forma financial statements is a great way to project the financial performance of a company in the future. Accounting information can be used to determine the breakeven sales needed to cover all the fixed costs of a company. Accounting can be used by business owners to differentiate between variable and fixed costs. Variable costs are costs that vary based on

the sales level, while fixed costs are constant costs that must be paid every month. The recruitment of an accounting staff is necessary to start a business. There are various credentials, personal characteristics, knowledge, and work experiences I look for in an accountant. For a person to work in the accounting department at my company they must possess a bachelor's in business administration with a major in accounting. If a person does not have that minimum credential they will not be considered by me. I can only discard that requisite if a person has a bachelor's in business administration with a major in finance and at least 15 college credits in accounting courses. The person in charge of my accounting department must possess a master's degree in business administration or the person must be CPA or CMA certified. All workers must have at least one year of experience in accounting prior to starting working for the company. The only way to disregard that requisite is for the person to have zero experience, but have a MBA, CPA, or CMA. Personal attributes and skills that I desire in my accounting staff include: responsibility, analytical abilities, excellent written and verbal communication skills, computer skills, and multi-tasking abilities. Personally I must educate myself in budgeting, internal control, and cash management. This can be done by attending seminars, buying accounting books, or taking short courses in accounting. Once I start a business I should seriously consider pursuing at least a minor's in accounting to improve my knowledge in that area. Budgeting is important because it can help the business owner determine the future expenses of the company. Internal control mechanisms can help a company safeguard its assets. Cash management is necessary since cash is the most important asset a company owns because it is used to

pay the recurrent obligations of the company such as utilities, rent, and payroll. It is also needed to purchase raw materials or inventory. There are multiple internal controls that I would utilize in the business. For instance I would place cameras directly in front of the cash register and in the kitchen. The camera in the cash register protects against theft from employees or burglaries. The camera in the kitchen protects the inventory of the company. An internal control to manage cash is to take the cash out of the registers every four hours. The money is then counted by the cashier and the manager and placed in a safe. To monitor tardiness and absenteeism the employees will have an electronic card that must be scanned when the employees enter the store, at lunchtime, and at the end of the shift. Financial information will be used to predict the outcomes of the business. For example the use of ratio analysis determines that the business has a net margin of 20%. I subsequently use the Delphi method to predict the year sales forecast. The forecast determines Quick Italian Pizza will generate sales of \$1.2 million in 2012. Based on the accounting information that the net margin is 20% I can predict the net income to be \$240,000. References Weygandt, J., Kieso, D., Kimmel, P. (2002). Accounting Principles (6th ed.). New York: John Wiley & Sons.