

Entrepreneurial types and economic growth research paper

[Business](#), [Company](#)



Finance

This article is about entrepreneurship. It indicates a typical business environment and sheds more light on the various challenges entrepreneurs go through. There is the concept of competition which was experienced in the furniture business when Guillermo who had been monopolizing the business had to cope up with a stiff competition from a foreign firm. This led to an increased cost of production, a situation that was so challenging given that Guillermo was just a sole proprietor who was operating a very small firm. Meaning, there was some form of inflation because of the increase in the cost of materials and labor.

The other concept discussed here is business expansion. While Guillermo was operating a considerably small business, it was essential for him to expand its production either by forming a merger or amalgamation. This is actually a very important concept which can help the firm to enjoy an economy of scale, adopt modern technology and increase its profit margin however flooded the business may be. If it makes large purchases of raw materials, it will be given large discounts. Besides, expanding its operations will definitely put it in a better position to adopt a modern technology. As a result, it will manufacture quality products and emerge as the best supplier, not only in Mexico, but internationally (Minniti, M. L. M., 2010).

Lastly, there is the concept of flexibility. The situation in which Guillermo has found himself in can be best addressed it becomes dynamic. Instead of concentrating on one line of production, it can diversify to other areas. This will help in spreading risk. Therefore, it is essential for it to collaborate with

others to ensure that any gap is bridged. This explains why it accepted to shift from primary production to primary distribution.

References

Minniti, M. L. M. (2010). Entrepreneurial Types and Economic Growth. *Journal of Business Venturing*, 25 (3): 305-314.