

# New shop in my local area essay



**ASSIGN  
BUSTER**

I am opening a new shop in my local area; this shop is going to be a Hair and Make-up shop called G. L. A. M (Gifts, Lotions And Make up).

Similar businesses already exist in the area and in order for my business to be successful I will have to complete a small scale marketing campaign. To do this I will carry out market research to find out whether my business will be up to standard and will also find out what my potential customers would like from my shop. I will also have to look at the different types of media in order to do a promotional campaign. Ownership I need to decide whether I should set up my business as a sole-trader or partnership. Both sole-traders and partnerships have unlimited liability, this means that there is no limit to the business debts and the owners are personally responsible if the business goes bankrupt. They may have to sell private possessions to help pay off these business debts.

In a partnership each partner is liable for the business debts of the other partners. People in a partnership have to draw up a legal agreement between them, which is called a Deed of Partnership. This agreement includes information like how profits and losses will be shared, responsibilities of each partner, who is responsible for decision making and how much capital each partner is to invest in the business. There are many advantages and disadvantages of a sole-trader or partnership. If I choose to be a sole-trader then I will be fully in charge of all the staff that I employ, nobody will be able to tell me what to do and I personally could make all the decisions. Whereas if I was in a partnership, people would be on the same level as me and they may not like my ideas and suggestions.

As a sole-trader all profits made will be mine but in a partnership all the profits would have to be shared between all partners, this would be a bit of a problem if there were more than 5 partners. I may not make as much money if there were loads of partners. An advantage of been in a partnership is if I decide to go on holiday or I am ill then there is always someone that is working at the shop, so I don't need to worry. But as a sole-trader if I go away or I am ill the business will have to close for the time I am not able to work.

Sole-traders and partnerships are unincorporated which means the business is considered to be one entity. If there are any debts or something goes wrong within the business then the owner will be personally liable. I have decided to be in a partnership. I have chosen this because if I end up ill or decide to go away then there will always be someone there to run the shop.

It is also a good idea to be in a partnership because if I run out of ideas then my partner will surely have plenty. Organisational Chart This is an organisation chart which shows who are the owners and workers in my business. My organisational chart is flat because it only has 2 levels. The number of people that a person directly controls is called the span of control. My business has a narrow span of control.

It is narrow because it has two people controlling two other people. Emma and I will be delegating to Megan and Lucy, the part time assistants.

Delegation means passing down responsibility and jobs to subordinates, in this case Megan and Lucy, but keeping ultimate responsibility between Emma and myself. Delegation will only work if there is trust between us all.

There is centralised decision making in my business. Emma and I are the two main decision makers and if Megan or Lucy has any ideas they will pass the information to either one of us. With there only been 4 people, including me, working in my shop there will be no need for any other communication apart from talking. The chain of command shows how decisions are passed down the layers of workers and who has to report back to whom. The chain of command in my business is again only small, the information and decisions that Emma and I make will be then passed onto Megan and Lucy the part time workers and if they has any ideas they will inform us.