

# The entrepreneurship and small business management business essay

[Business](#)



Case Study ONE: New Owner, Existing Business

The reason why Anna buy the existing line of business because firstly she was in the same line of industry that is she was the fashion designer. But then she approaches to the new field in the same industry that is the hair stylist. She wants the competitive advantage as she wants the people to look best. So that is why she decided to buy the business for salon. The existing business was becoming old fashioned and the new trends were changing deliberately causing more completion in the industry. Before buying the new business she should consider that either all resources she got or not? . The financers, place, management, workers etc. She can't upgrade the prices as she has new talent and others have already into their business with more experience. For a new business, initial capital costs a lot and for this she has to consider an investor. But being an entrepreneur herself she solely has the business. She also got the vision cleared that she has to make profit out of the business and will make her name on top of the list. She should first consider that she has the full learning of opening a salon or not. She could eventually make her new salon besides with the fashion designing work. So that she can get more customers. Also the existing customers can come over to the salon. It can increase its customer satisfaction and may improve the image with the two ventures. According to the (Riyanti, 2004), for small business establishment, individual performance matters a lot. It defines its values and visions towards a goal and its objectives. Strong business can be lead up to by internal business process, finances and learning. They all lead to the growth factor and lately established into a respective business. The learning can be measured through customer satisfaction from any business while

financial performance can be analyzed through sales and assets. Through proper learning and training one can get the feasible interest and skills for handling a new business. A proper decision making leads an entrepreneurial innovative behavior. As Anna's skills are being less for new business so that first she should get a proper training or at least take advices from the well known entrepreneurial in town. The motivations and leadership quality also matters a lot. She can make the financial stability and performance good after a time period because if from the starting she charged heavy from the customers then she can't be able to make customers loyal. After when her business start up with good sales, she can charge with good amount so that her cost can be recover. As per (Isobel van der Kuip, 2003), entrepreneurship is something innovative and did not exist with the non-learning and motivation. The traditional entrepreneurship also considers the time value of money but now innovation with technology prevails causing the economic stability. Being a new entrepreneur, Anna faced problems like she has not a proper education regarding a new startup. Then she has managerial perspective problems plus financing problems. The entrepreneurship requires opportunities and innovation with proper education and training. It also requires the risks to be involved. The self confidence, attitude will motivate a lot. Being fresh in entrepreneurship, Anna faced problem of self-awareness and did not have proper information regarding the investment and competition. It requires proper research and equipment so as to start up any business. She has to proper educate herself regarding the skills and managerial decisions. Creativity and self reliable also plays an important role

besides goal setting and internal locus of control. Case Study TWO–Mac Tools franchise

### **Question 1:**

The best way to expand the business is through franchising because to expand its own business is through franchising with more sources. For the franchises, you are the owner or manager of that so that you can make the managerial decisions easily. As per (franchise venture capital), there will be no contingent liability, the profits and loss can be shared or not, It is up to the franchisee. The good advertising can be made to promote the products; minimal employees with good skills can be hired. Through the intellectual decisions franchising can be made for the business growth and it helps to profitabilize the existing business. Though a small business owner or entrepreneur, franchise can be made to enlighten up the success idea and in order to promote their business with maximum customer satisfaction. It consists of lower risk, as if a franchise is not making profits in your balance sheets, it can be closed down as the decision is being solely up to you. Less time and energy is involved in order to start up. The customer base was being able to build. Training to the employees also makes a difference. Hence, if to start a good cause franchise can be the second hand.

### **Question 2:**

We know that owning a franchise require same level of input, costs and learning but as to own a proper business is more worthy. From start point of view, a person can own a franchise so that he can be able to negotiate, communicate and learn the specific rules for the growth of a proper

business. From a franchise your name can be recognize, should have a growth power, can have more opportunities with growth, quality and consistency with the career. From a business point of view, a person is being more concern and regulated. The business itself has some rules and regulations regarding the cost, finances, investment, employees etc. in starting up the business firstly a plan has to be made with proper estimation of costs and expenses. Focus on strategies to make profits through sales, make a brand image, customer perception and their satisfaction. Through a proper guidance and advices a decision has to be made. The business model is important. Some people also to short cutting the way, they open up the franchises in order to increase sales. John's success of running Mac Tools franchise reason is that he gets properly training first from their institute. After that by hard working, loyalty and skills he was able to be a leader and a good successful franchisee. He knows that how to satisfy his customer by providing their needs. Through good expectations and vision, he was able to receive the highest award at Mac Tools. He has the ability and strong willpower which guides him and with positive expektorations, he was able to grow and was a successful franchisee. There is no quick route to growth but also by accepting challenges and opportunities, one can achieve a goal. Hence, team working is also very important for a business.

### **Question 3:**

Being a fresher investor, one should start with the small business. The reason behind this can be many and will vary with the situations like by doing a small business; it's your satisfaction that either it can be good or bad. With the initial investment either it will result to profits or loss. While by

initially doing investment in a business can cause difficulties at the starting if you are independent and solely business man. If a person has not a proper education about the start of the business, he would have outsourced the employees or managerial team which finds to be more costly to him. Being a small and independent entrepreneur, one can have the locus of control on itself. He could not blame other partner about the losses. But by being in a partnership, partners can share the profits as well as loses. The successful entrepreneurs who owe their own business mainly wants money, power, prestige, fame, more investment giants, life style and many other things which did not involves career and growth. Either for a good small business or franchisee, research is more important with the proper planning. Covering your bases and by finding the reliable funding can improve your performance of the business. Either by going into franchises, a person must have proper knowledge of the product he wants to sell. But by doing a small business can eventually boost up the confidence and self esteem which leads to the growth. By owning a small business you can be the master of your own funding, find your own business to expand it, face the challenges with risks and opportunities, can reap the reward after the profit maximization, did not have to give investors their share holder's equity part, operating costs and funding was done by you. Besides this, the guidance from the good entrepreneurs is also very important. They tell the truth and goal to success. They know how to overcome the challenges in this complete world. Hence, before starting up anything a bold decision with proper business plan is must so that in any case it can be lawful.