Equity investor goals vs. the owners goals

Business

The paper " Equity Investor Goals vs. the Owner’s Goals " is a wonderful example of a business assignment. An equity investor’s primary goal is to see a return on investment, which may not help the business in the long term. If an owner wants to investigate problems or develop new ideas or technology, equity investors may have control over this research and development, since they are interested in having their money paid back quickly. Equity investors often restrict the freedom of business owners to change directions if it is necessary. Decisions such as selling a portion of the business, closing down a branch, and dropping a product line must be run through the equity investor, taking up precious time. Responsiveness is important to the health of a business, and investors are often people who look at things carefully and consider options before acting. Caution may benefit a business, but often the first idea was the best and opportunities are lost if the owner doesn’t act promptly. A third-way equity investor goals may not line up with owner goals is in structuring the business, especially if the investor is brought in early on. Owners have particular management styles and personal and business goals, but investors may want the owner to structure the business in a different way or hire different people. Owners may think they can do the job where investors may force the owner to hire outsiders instead.