

New business venture essay examples

[Business](#), [Marketing](#)



Brief interpretation

I have a great business idea of investing in a new kind of home appliances, to meet consumer needs. My workings around homes has enabled me identify this niche. However, my income and lack of managerial skills cannot allow me fund the project. There are similar kinds of product but they are inherently dangerous. I lack manufacturing knowledge other than the process is costly.

However, there is a range of application use for the product. My spouse is not convinced that the project is viable; she worries of the family time to be lost in the project. I give her examples of similar project that have gained popularity over time. These include the click and 3-prong: two products used in more than the intended application.

The market saturation is favorable since it is at 2% annually, which give room for high sales and growth of the market. My major problem is finances and skills on how to implement the idea. Nevertheless, there are various forms of business that can be formed:

Sole proprietorship

Is the simplest form of business organization where the business is owned exclusively by a single person.

Advantages: It will also be easy to operate since the decision making is entirely on the owner and will thus not need to make consultation (Salaman, 2001). It will be possible for the owner to operate the business at their own convenient time since they may not always have time to operate the business.

Shortcomings: The business may not exploit its full potential due to financial and managerial constraint. The owner will also have no time to wander off the business and look at other activities or issues that are equally important. For instance, they will lack time to take good care of their family and children may end up being neglected. The individual only prospects that his new business will be viable (Salaman, 2001). However, if it fails to succeed the owner will have to bear all the costs and liabilities alone.

Partnership

Is a business formed when two or more people come together, contribute resources and carry out business (Salaman, 2001).

Advantages: since the individual lacks skills and financial resources, forming a partnership will enable the business to succeed since resources, efforts and ideas will be combined to produce the best. The individual will also share responsibilities and will therefore get time to look after other non-business issues. They will also be able to make the best decisions.

Shortcomings: partners may easily disagree in the course of business thus leading to its failure. The other partner may not be hardworking and will thus contribute to the failure of the business.

Corporation

Is a business with a separate legal existence (Salaman, 2001).

Advantages: it will be easy for the business to raise extra capital through stock market. It will be easy for the business to make sound managerial decisions due to its qualified management team.

Disadvantage: its formation requires that various long and complicated legal

procedures are followed and fully met (Salaman, 2001). It is likely that the individual will not meet the legal requirements and it might therefore not be possible to form a corporation.

Management decision

The best option will be a partnership. In my financial incapacitation and lack of skills, it will be easy to form a partnership with a skilled person since it will ensure better management (Peace 2007). A partnership will ensure business success through resource availability and credit accessibility. This combined with sound decision-making, risk sharing and the business flexibility will be the ideal decision (Peace 2007).

References

- Peace Corps (U. S.) (2007). Partnership. Washington, DC: Peace Corps, Office of Private Sector Initiatives.
- Salaman, G. (2001). Understanding business: Organisations. London: Routledge in association with the Open University.