Example of business plan on creating, financing, and marketing a business

Business, Marketing

Abstract

Partnership is a means of forming businesses where two or more people join their resources in order to pursue a common goal. Partnerships have many pros and cons in the way they are formed and how they operate. When starting a small business there are several ways to consider as sources of funding. These include personal savings, borrowing from friends and family, bank loans and angles. Marketing of company's products is important in order to create awareness to target customers and to pursued them to purchase. The components to consider when marketing are product, price, place and promotion. When marketing, technology and social responsibility are used to increase effectiveness and reach new customers.

According to Adrian (2010) One of the common ways of forming a business is through partnership, this is where the business is owned by two or more people who have agreed to pursue a common goal. There are pros to a partnership business, these are: Raising capital together, each of the partners contributes some amount of money as initial capital for the business. This funding need not necessarily be equal for all the partners it all depends with the agreement they have. This means that the business has increased potential for growth. Flexibility in formation, because partnerships are easy to manage and run as compared to companies. They are easy to manage because only the partners have a say on decision making no issues of stakeholders. partnerships benefit from shared responsibilities and contribution of different talents and skills from the different partners. This means ease in management and running of the business. Decision making in partnerships is more informed as every partner contributes in terms of business ideas and problem solving.

The partnerships have their share of cons like presence of disagreements between the partners. This is common because different people have different ideas on how they expect things to be done, when and by whom they should be done. Another con is that in ordinary partnerships, financial risks and liabilities are shared by each of the members, the liability is unlimited. However in limited liability partnership there is limited liability and yet the partners enjoy the flexibility of a partnership. Another disadvantage of partnership is that every year each of the partners has to submit a self assessment tax return. The taxation laws do not favor partnerships. Profit sharing in a partnership can lead to in consistences especially where profit is shared equally yet some partners put in more effort in the business than others.

According to Clifford (2012) Small businesses can source their funding from various avenues with the most common being from personal savings. This has an upside in that you have total control of the business and stand to benefit from all the profits however investing all your savings to finance the business is very risky and requires careful consideration. Another way is borrowing from family and friends who will most likely charge very low or no interest at all. Banks also offer small loans to small business either as business loans or as personal loans. In order to qualify in getting these loans you must have a good credit history and also have some security. Funding can also be from angles, this are people with money looking for viable businesses to invest in. Finally funding can be through a government guaranteed loan, that is small business administration, but one has to meet given guidelines in order to qualify.

According to Keythman (2010) Managerial accounting is useful in determining the product cost this is because it is used to assess the costs necessary to manufacture a product. It puts into consideration the cost of materials used directly to make the product, the direct labor costs, all overheads incurred in the manufacturing process and the number of products made. This gives a clear indication of how much it cost to produce one item which is useful in pricing the product. Information from managerial accounts is useful in budgeting and incremental analysis. The information gained from a detailed assessment of various costs incurred during production process will guide budget making because we know how much we are going to spend, what it is spent on and when the money is needed. The information is also important in planning for any increments in production because it gives a guidance on what is already being done which can be used to infer what to expect.

Marketing components are important when making a marketing plan for any item or service. First is the product itself, that is have a clear understanding of the product you are trying to sell and be able to articulate how the product features will benefit the customer. Example when marketing a morning cereal u consider the type of packaging, brand name, quality and size. Next is the price, this is just an understanding of the highest amount that a costumer would be willing to pay for the product. In the cereal example the price should neither be too low to incur losses nor too high that customers refuse to buy.

The place is an important consideration, that is deciding where the customer will meet the product. For cereal the appropriate location where the target customers will access it is in retail stores. Finally the promotion consideration, that is the method of creating awareness of the product to the customer and persuading them to purchase. For cereals it could be through broadcast advertisements like televisions and radio.

Social responsibility is used to show that an organization is concerned about the people and the environment. Organizations do this through their partners, distributers and by sponsoring charity events. Social responsibility is important in marketing because it can be used to increase awareness about the company to its target customers. Although this marketing efforts do not translate into increased revenue directly, consistency in social responsibility leads to a strong reputation and increased customer loyalty.

Technology is important as it makes the marketing process easier and more effective. There are different technologies that are available to be used for different purposes in designing and communicating marketing messages in order to reach customers. Technology allows for access to new customers as well automating follow ups.

Work cited

- Adrian. (2010) Advantages and Disadvantages of Partnership.
- Clifford, C. (2012) Top Sources of Small- Business Financing.
- Keythman, B. (2010)Managerial Accounting.