

Entrepreneurial case study

Business



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Every requirement, every cost and all resources engaged must be meticulously screened in order to establish a risk to reward ratio. In addition, since we are soliciting the help of outside investors in the realization of this project, we want to insure their return on investment will at least cover their Initial deposit. Last but not least, we want to ensure that the enterprise we are embarking on matches our business plan: Is this location Ideal; Is there a market for office supplies in that area?

After we have expressed the desire to evaluate a franchise opportunity; the franchiser, by law has to provide us with the FDD and franchise agreement at least 10 days before receiving our deposit as specified by the Law.

(Entrepreneur Media, Inc.) The first step after receiving these documents is to review them for legal purposes. We will need to ensure that these documents comply with FTC regulations. In this process, we might consult a lawyer to ensure the validity of all documents. The FDD contains 23 Items of Information about the franchise. Entrepreneur Media, Inc.

) Among those items are sections on the history of the franchise (its founders, the number of years it has been in business... , sections on the financial terms (approximation of initial costs, major criminal or bankruptcy actions...

) and many more. Two sections are crucial for us in our analysis of the FDD: the section on Franchise fees and royalties and the terms of the franchise agreement. We want to fully understand them and make sure they fit our financial capabilities.

If we proofread and agree with all the sections of the FCC, we want as franchiser to be confident that franchising is the best option for us. We will not own the store. We need to understand that the franchisee controls many aspects of business such as: brand image, business processes, marketing and distribution.

(Gap) Therefore, if we think our mindset leans toward ownership and control, we must step away and embark in a different venture. We must have a mindset that fully integrates the terms of the franchise agreement and understand that they must be followed in the conduct of business.

How lucrative is this opportunity? This question is essential and we will come across it at any given point of the evaluating process. The location, our relationships with the owners of the franchise, the market, our ability to perform, comply and succeed are all parameters of this decision. If our analysis comes to conclude that all these parameters will favor success, then we carry on and hopefully Decode stressful Translators. Question 4: Consider the six personality characteristics of entrepreneurs.

Which two traits do you think are the most like those of managers in large companies? Which two are least like those of managers in large companies? We believe that the two personality characteristics of entrepreneurs that are the most like managers in large companies are self-confidence and the need to achieve. These leadership skills are suited to managers of large companies. Success criteria identified was linked directly to the idea of getting a sense of personal achievement from work.

This was particularly important for managers who had very internally focused ideas about success: for them, this achievement was often related to succeeding at challenging tasks, but sometimes was also described in terms of breaking new ground, that is doing things people had not done before, being creative and experiencing personal development through work-related tasks and experiences. (Sutres, 1999) This personality characteristic is clearly one that is necessary for both entrepreneurs ND corporate management.

Need to achieve is necessary for both as well, due to the fact that both entrepreneurs and corporate managers need to be “ motivated to excel and pick situations in which success is likely.

” “ High achievers also like to pursue goals for which they can obtain feedback about their success. ” (Daft & Marcia, 2011) For an entrepreneur, they receive positive feedback when their endeavors are successful, a corporate manager strives to be promoted to higher levels within their organization, or seek employment opportunities with bigger, more prestigious firms.

We feel the two personality characteristics of entrepreneurs that are the least like managers in large companies are the tolerance for ambiguity and internal locus of control. People who manage others in a large company have to be able to navigate through layers of bureaucracy. The need for order, accurate and complete information to guide their decisions is critical in achieving success for them and the company they work for. According to Daft and Marcia, the tolerance for ambiguity is “ the psychological

characteristic that allows a person to be untroubled by disorder and uncertainty.

Daft & Marcia, 2011) Further, the internal locus of control, which is “ the belief by individuals that their future is within their control and that external forces have little influence,” (Daft & Marcia, 2011) does not work well with leadership in a corporation, as there needs to be accountability on every level of management. Managers have to answer to the external influence of Directors, who answer to Vice- Presidents, and so on all the way up to the CEO who is responsible to the Board of Directors, who in turn answer to the shareholders.

Question 5: How would you go about deciding whether you wanted to start a equines from scratch, buy an existing business, or buy into a franchise? What information would you collect and analyze? If an entrepreneur wanted to start a business from scratch, he would need information about many things. He would have to be willing to take a large risk. The chance of a new business failing is very high.

An entrepreneur is solely responsible for his business’s success. He would also have to have an idea for a business that meets the needs and requirements of its communal TTY.

I en mall reason Tort starting a Dustless Trot scratch Is Tremor. You have the freedom to do whatever you want. You can set up your business exactly the way you want it. With a franchise or an existing business you get no such freedom.

Another option is to buy an existing Business. There is less risk involved with buying into a business; however the business may come with some unwanted baggage. There must be a reason a business is for sale. The previous owner could have had bad habits that caused a backlash from the community.

There could have been a lack of innovation, and the business is stuck in the ways of the past.

Updating systems to meet today's standards could prove to be very costly. Finally, an existing bad reputation could be in effect. This could prove to be a challenge to get potentially unhappy former customers back in through the door. There is an upside to buying into an existing business. One of which is that all of the preliminary paper work needed for a new business is already completed. Another is that it may not be as costly as the other business options.

The entrepreneur may get a bargain price if the owner wishes to retire or has other family considerations. " (Daft & Marcia, 2011) The last option is to buy into a franchise. No new idea is needed for a franchise, cause the franchise itself already has a cookie-cutter way of how everything needs to be done. One of the advantages is to buying into a franchise is that you get help from above. Corporate offers training, other managers with experience and in some cases financial support or advice to the entrepreneur.

Even though the entrepreneur buys the franchise with his own money, there is much less risk involved. To answer the question of how one should go about deciding which way to start a business, we would suggest to review <https://assignbuster.com/entrepreneurial-case-study/>

the pros and cons of each option, as well as eyeing which option supports your own personal goals. If an entrepreneur has a new, innovative idea, then buying a franchise couldn't help make that idea a reality as well as a new business. If the entrepreneur doesn't want to take as much of a risk, but still wants to be in business, a franchise might be just the thing.

If an entrepreneur sees an opportunity to buy an existing business for cheap and turn a great profit, then buying a business is most likely the right thing to do.

All are good, feasible options for business. Deciding on which route to take depends on an entrepreneur's personal goals. Question 6: Many entrepreneurs say they did little planning, perhaps scratching notes on a legal pad. How is it possible for them to succeed? Despite the little planning that some entrepreneurs do, it seems unlikely that they could still succeed, but yet it is still possible.

How is this so? According to Daft and Marcia in their book *Understanding Management*, "formal planning tends to be nonexistent except for the business plan.

" (Daft & Marcia, 2011) A shortage of planning seems to be consistent among entrepreneurs but yet they are able to still be successful due to personality traits and work ethic. A key trait of entrepreneurs is a high energy level. With a high energy level, the individual wakes up ready to go and get the day started and is not afraid to work a twelve hour day.

This trait can tend to be uncommon for many individuals who work in a job they are not interested in, however, since the entrepreneur is starting their own business, they have a passion for what they do. Another key trait that assists with their success is their desire and need to achieve. So much rests on the investment that the individual has in their own business, so the success or failure of the business is typically tied directly to the livelihood of the entrepreneur.