



# Who's The Boss??

So you want to start your own business??

The three types of business structures.

ECONOMICS

# WHAT DO YOU KNOW?

- Name some successful businesses.
- Why do you think those businesses were started?
- What kind of business would you start?

# Some of Largest Companies In The USA (Forbes 2017)



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COURTESY: CONOCOPHILLIPS



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*General Motors*

PHOTO: BILL PUGLINO/GETTY IMAGES



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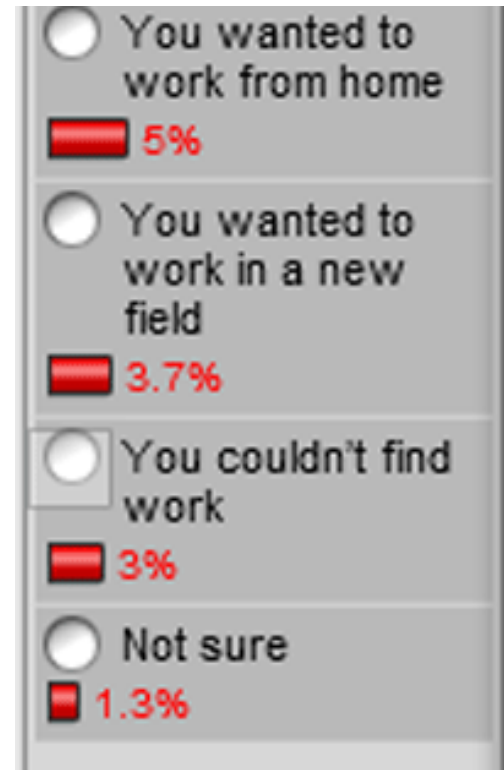
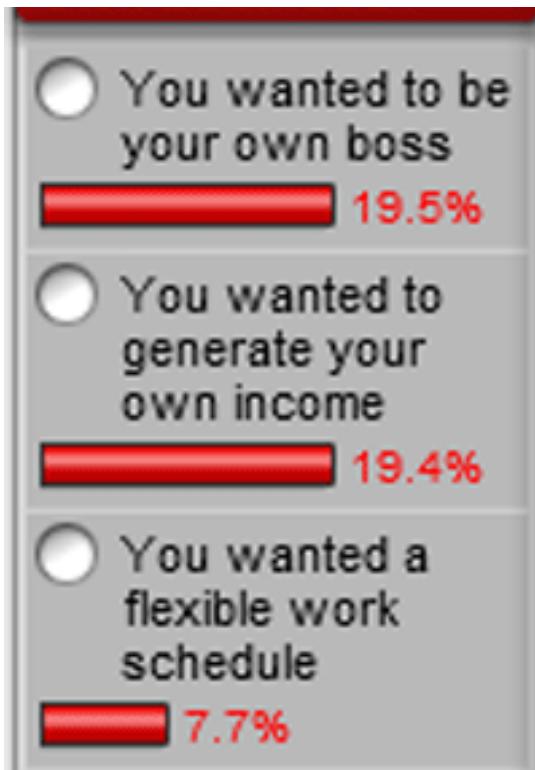
# Revenues By The Millions

## Top Ten Companies 2017 (Forbes)

1	Walmart Stores	482.1 Billion
2	Exxon Mobile	246.2 Billion
3	Apple	210.8 Billion
4	Berkshire Hathaway	210.8 Billion
5	McKesson	181.2 Billion
6	United HealthGroup	157.1 Billion
7	CVS	153.3 Billion
8	General Motors	152.4 Billion
9	Ford Motor	149.6 Billion
10	AT&T	146.8 Billion

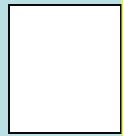
> **\$2,000,000,000,000.00**  
**That's trillion**

# Why did you start your own business?

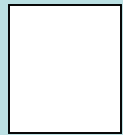


Brad Sugars, speaker, book author, business coach and owner of [ActionCoach](#), got interesting results to a poll on his [blog](#).

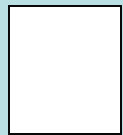
# STARTING A BUSINESS



**Write Business Plan**



**Choose Business Name**



**Receive Business Certificate**



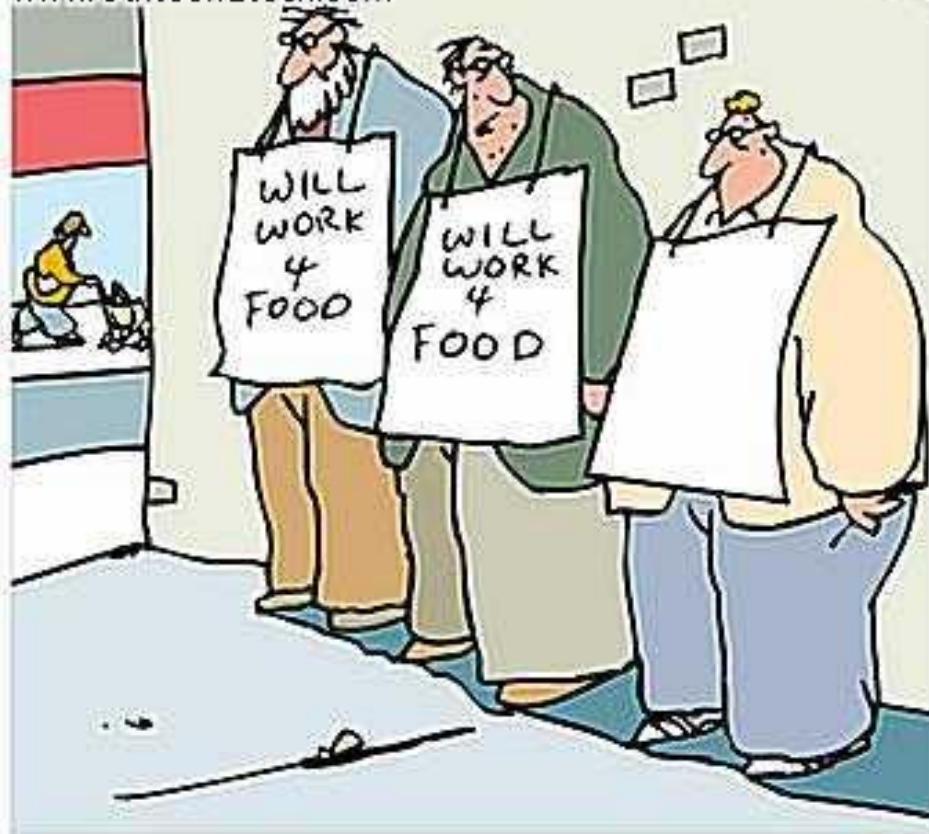
# WHAT'S THE PLAN, DUDE?

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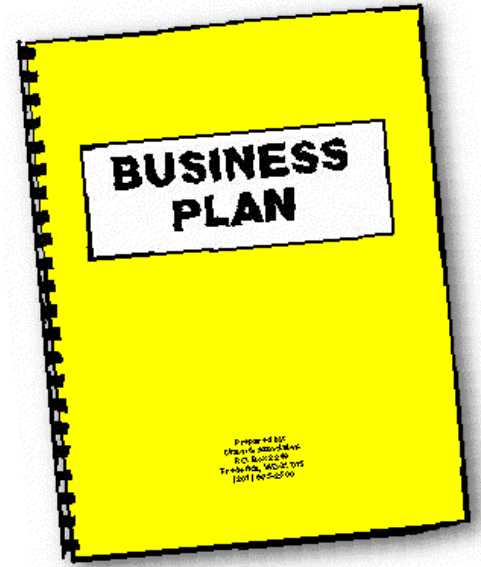
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*Baldwin*



"It's not enough to just show up. You have to have a business plan."

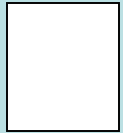




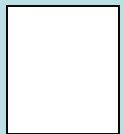
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# A Good Business Name Should Be..

- ***Simple – one easy-to-understand concept***
- ***Meaningful – customers instantly “get it”***
- ***Imagery – visually evocative, creates a mental picture***
- ***Legs – carries the brand, lends itself to wordplay***
- ***Emotional – empowers, entertains, engages, enlightens***



# THE NAME GAME

- Minnesota Mining and Manufacturing
- A computer everyone could use.
- Original line of flashy clothes for teens
- Film and Camera Company
- Blue Ribbon Sports Company
- Strong lightweight luggage
- Doing something for the first time
- Scandanvian Ice Cream
- googol.com wasn't available
- Kodak (Power of the K)
- Apple
- BAPE (A bathing ape?)
- 3M
- Nike (Swoosh Olympics)
- Samsonite (Samson?)
- Haggen-Dazs (made up)
- Google

# SOME BAD NAMES ...



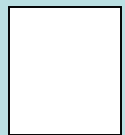
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# THREE TYPES OF BUSINESSES

1. Sole proprietorships

2. Partnership

3. Corporation



# SOLE PROPRIETORSHIPS

- A sole proprietorship has a single owner.
- Usually this means just one person is the owner/proprietor, but occasionally it might be a single family that retains complete ownership.
- The proprietor controls all the aspects of his or the business, from the factors of production to the finished product.
- By giving a single person all the important decision-making functions and power, sole proprietorships are often able to adapt business practices quickly.



# SOLE PROPRIETORSHIPS



Can you think of other examples?

# SOLE PROPRIETORSHIP



# SOLE PROPRIETORSHIPS

## Advantages

## Disadvantages

The business is simple to organise	Unlimited liability for the owner- the owner is legally liable for all debts of the business, so any personal and real property may be attached by creditors.
The owner is free to make decisions	Limited ability to raise capital-which in turn limits the expansion of a business when new capital is needed.
The business has few legal requirements	Limited skills- although the owner can hire employees with other skills.
The owner receives all the profits	
The business is easy to discontinue	





# THREE TYPES OF BUSINESSES

1. Sole proprietorship.

2. Partnership

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# PARTNERSHIPS

- In a sole proprietorship, a single person takes all the financial risks and reaps all the financial rewards, if any.
- A partnership divides up the risk and reward among a group of people.
- While some partnerships are as small as two people, there is no limit to how large a partnership may be.
- There are many different kinds of partners, such as silent partners and minority partners.
  - Silent partners put up money and expect a return for their investment, but they have no input in the day-to-day business affairs.
  - Minority partners might have a say in how a business is run, but since they do not own the majority of the company, they must work to have their opinions considered by whoever owns the majority share.



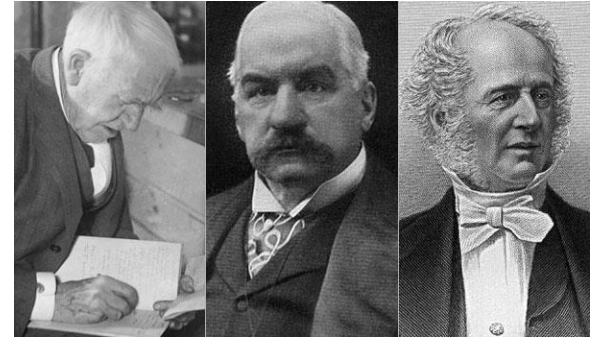
# EXAMPLES OF BUSINESSES THAT WERE ORIGINALLY PARTNERSHIPS



Doctors opening a practice.



Richard and Maurice McDonald.



Edison Graham and Bell - GE



Orvil and Wilbur Wright - Aviation



Ben & Jerry



Warner Brothers



Bill Hewlett – David Packard



Group of Lawyers

# PARTNERSHIPS

## Advantages

## Disadvantages

It is easy to organise	Unlimited liability of the partners- therefore one partner can cause the loss of assets of the partnership as well as the personal assets of the remaining partners.
It has greater financial strength	The authority for decision is divided.
Managerial skills of the partners are combined	Partnership may be dissolved by withdrawal of a partner, death of a partner or bankruptcy.
It has definite legal status	
Each partner has a personal interest in the business.	



# THREE TYPES OF BUSINESSES

1. Sole proprietorships

2. Partnerships

3. Corporations





# CORPORATIONS

- Corporations issue stock, and anyone who owns stock in a company owns a portion of that corporation.
- Stockholders meet annually to determine a board of directors, and this group of people is responsible for guiding the company in the long run.
- A president or chief executive officer (CEO)—a person often hired by the board of directors—makes the major short-term business decisions.
- Ownership in a company often entitles you to a share of the company's annual profits. Successful corporations often take a percentage of annual profits and issue **dividends**, which are monetary payments to stockholders.



# EXAMPLES OF CORPORATIONS

**Dow Jones Industrial Average Companies**  
More than 120 companies have been Dow components since its creation in 1896. These are the 30 blue chip stocks currently on the DJIA.

Company	Exchange	Symbol	Date Added
3M	NYSE	MMM	8/9/1976
American Express	NYSE	AXP	8/30/1982
Apple	NASDAQ	AAPL	3/18/2015
Boeing	NYSE	BA	3/12/1987
Caterpillar	NYSE	CAT	5/6/1991
Chevron	NYSE	CVX	2/19/2008
Cisco Systems	NASDAQ	CSCO	6/8/2009
Coca-Cola	NYSE	KO	3/12/1987
DuPont	NYSE	DD	11/20/1935
ExxonMobil	NYSE	XOM	10/1/1928
General Electric	NYSE	GE	11/7/1907
Goldman Sachs	NYSE	GS	9/20/2013
The Home Depot	NYSE	HD	11/1/1999
Intel	NASDAQ	INTC	11/1/1999
IBM	NYSE	IBM	6/29/1976
Johnson & Johnson	NYSE	JNJ	3/17/1997
JPMorgan Chase	NYSE	JPM	5/6/1991
McDonald's	NYSE	MCD	10/30/1985
Merck	NYSE	MRK	6/29/1979
Microsoft	NASDAQ	MSFT	11/1/1999
Nike	NYSE	NKE	9/20/2013
Pfizer	NYSE	PFE	4/8/2004
Procter & Gamble	NYSE	PG	5/26/1932
Travelers	NYSE	TRV	6/8/2009
UnitedHealth Group	NYSE	UNH	9/24/2012
United Technologies	NYSE	UTX	3/14/1939
Verizon	NYSE	VZ	4/8/2004
Visa	NYSE	V	9/20/2004
Wal-Mart	NYSE	WMT	3/17/1997
Walt Disney	NYSE	DIS	5/6/1991

Sources: Money Morning Staff Research

# CORPORATIONS

## Advantages Disadvantages

It is adaptable to both small and large business	Subject to special taxation rates
The life of the business is perpetual	It's more difficult and expensive to organise than other forms of ownership.
The shareholders have limited liability	It is subject to many legal requirements.
Transfer of ownership is easy	
Easy to raise capital and expand	
Efficiency of management is maintained	



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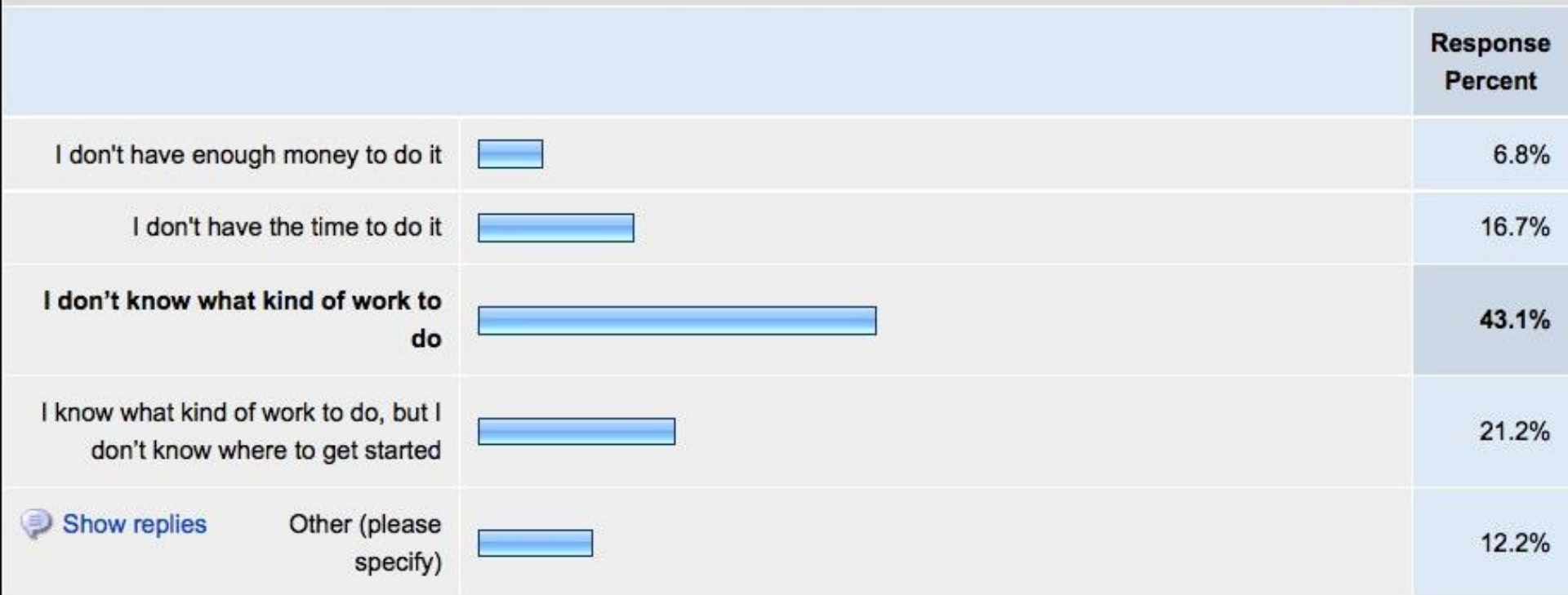


**Receive Business Certificate**

# Why don't more people do it?

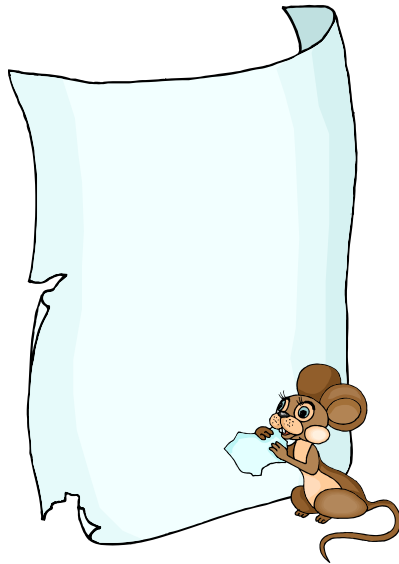
5. What's the biggest thing stopping you from starting a side business?

 [Create Chart](#) 





# TIME FOR REVIEW





# IN REVIEW – Part 1 of 3

- What are the three types of business organizations and how are they run?
- What are the advantages and disadvantage to each business organization.