

Chapter 3

25, Feb

Entrepreneurship, New venture, and Business ownership.

نوع الملكية

Large (20-∞) midum (9-19) Small (0-9) Small/Big
 (20-∞) (9-19) (0-9) الفعاليين

- ① عدد العمال
- ② رأس المال المستثمر
- ③ كمية البيع (turnover)

* Small Business :- Independently owned and operated that has little influence in its market.

CSBA :- Small Business Administration

↳ Government agency to help small business.

مؤسسة حكومية بترويج وبتساع لخدمة الأعمال الصغيرة

* The Importance of S.B in the U.S.A

Economy :-

① Job creation → خلق فرص عمل

② Innovation → الابتكار / الأبداع

③ Contribution to Big Business

الأعمال الصغيرة التي تتولى الأعمال الكبيرة بما يتناوبه (مساهمات في الشركات الكبرى)

26, Feb

* Popular areas in small Business :-

- 1 Services
- 2 Retailing → sells the product to end user
- 3 wholesaling
- 4 Construction → البناء
- 5 Finance & insurance → التمويل والتأمين
- 6 Manufacturing المصنع (Big or small) (It might be considered big.)
- 7 Transportation النقل
- 8 other →

~~* Entrepreneurship~~

* Entrepreneurship → المبادرة الريادية (الريادة) person

* Entrepreneur → Business who accepts both risk & opportunity involved in creating & operating a new Business

→ The process of seeking opportunities to open a new venture.

* Entrep goals :- (الاهداف)

- ① Independence الاستقلال
- ② Degree of financial security.
- ③ Growth & expansion.

* Entrap characteristics :- صفات الشخص العنتر

- 1) Resourcefulness
- 2) good customer relations
- 3) They desire to be their own Bosses
- 4) Gain Control over their lives
- 5) They can deal with uncertainty & Risk

Entrepreneur of Small Business

Small Business Entrepreneur

القائمون بالمشروعات الصغيرة



The process of seeking opportunities to open new ventures.

(عناوين)

(معلومات)

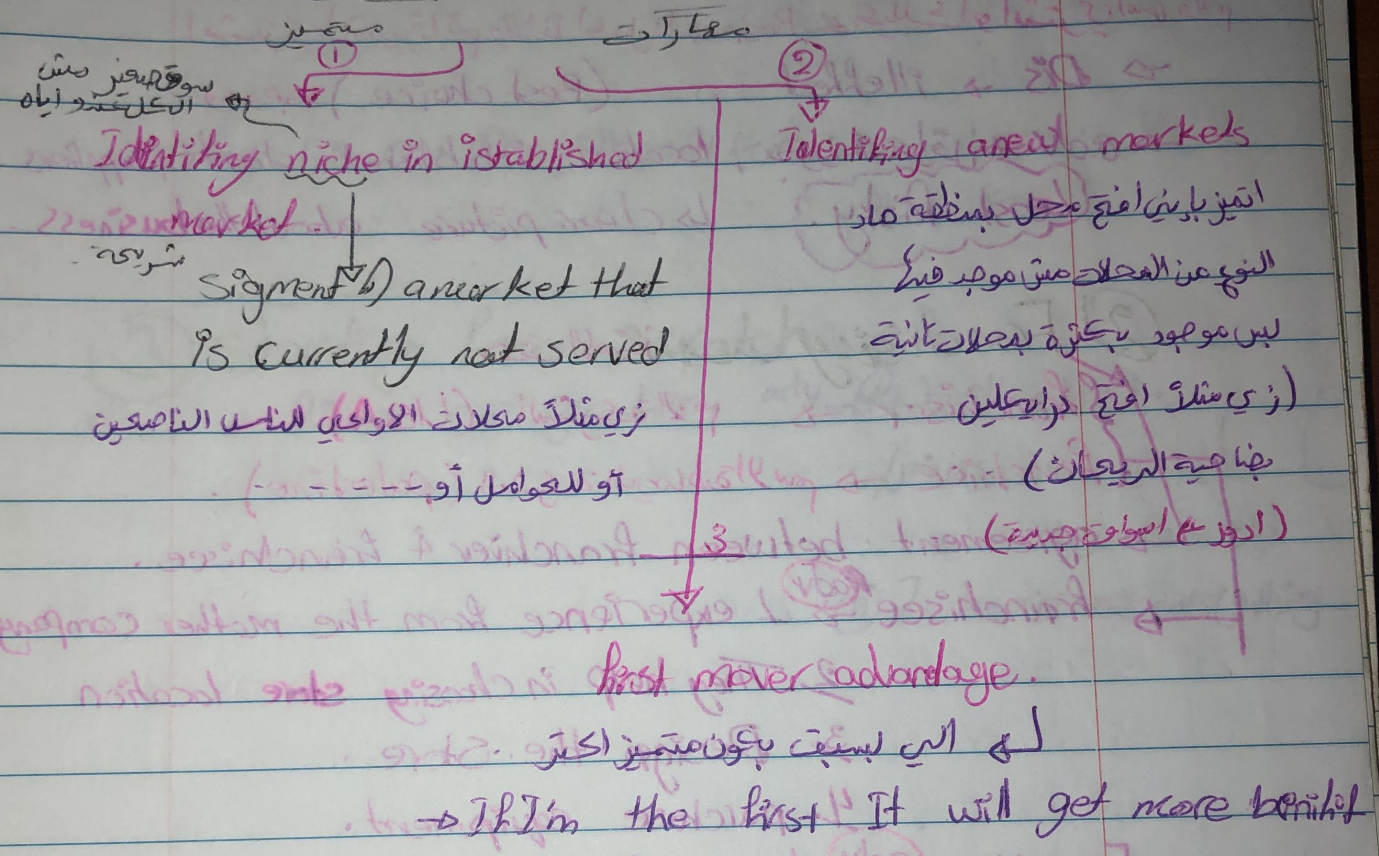
Degree of financial security.

Level of education.

March 4

Starting & operating a small Business

Distinative Competencies



Crafting a Business plan.

Document in which the entrepreneur summarize his Business strategy for the new venture.

- ① setting goals or objective. تحديد الأهداف.
- ② sales forecast. التنبؤ بالمبيعات.
- ③ financial planning. حسابات مالية مسبقة.

* Starting the small Business.

① Buying an existing Business.

لو تبتال غير من الحسن
استري اتي قائم ولا انا لعل ال Business بحالك او استري اتي قائم

→ Dis → illeffect (Best choice) وموجود

→ adv → يكون السواقين, location, established clients & suppliers.

(Least Risky.) ↳ clear picture about the business.

② Franchising → حق الامتياز

Franchiser → (USA) الشركة الام

Franchisee → (palestine) الفرع الام

↳ agreement between franchiser & franchisee.

↳ Franchisee ^{adv} 1 experience from the mother company.

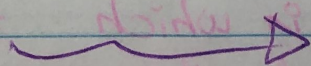
2 They help in choosing store location

↳ They help 3 Design the Store.

4 purchase equipment.

Franchiser ^{adv} 1 growth.

② Royalty fee % from sales.



Disadvantages:

→ franchisee → ① start up cost
② I need to pay % home sales

→ franchiser → ① بكل العالم أي استقرت عن تأثيره

③ Starting from scratch

dis → Risks are greater. adv → No ill effect.

أي استقرت عن تأثيره

Business

② I choose ~~everything~~

6, March (يس الراجح للفترة الباقية مشروء مطلوب)
(بما في المحاضرة)

* Financing the Small business :-

- 1 From his own money (personal saving) → أكثره من يستعمل
- 2 Family, Friends.
- 3 lending institutions. مؤسسات الإقراض
- 4 venture capital Companies ←
↳ group of small investors money who invest money in small Business
- 5 SBA financial programs.

* Trends, success, Failure in new ventures :-

الدول سبب خلافات
Business

Startups :-

- 1 e-Commerce التجارة الإلكترونية
- 2 Cross over from Big Business. الانتقال
- 3 opportunities for women & minorities.
- 4 Global opportunities.
- 5 Better survival rates.

* Reasons for failure :-

- 1 managerial incompetence / inexperience (عدم خبرة / مهاراة)
- 2 Neglect (إهمال)
- 3 weak control system عدم السيطرة على الموظفين والادوات
- 4 Insufficient Capital (سبب وجود رأسمال لا يفي بمتطلبات)
فشل رأسمال غير كافية

(*) Resources for Success :-

- ① Hard works drive dedication
- ② Market Demand for the product
- ③ Managerial competence
- ④ Luck

Non Corporate

(*) Business ownership :-

- ① Sole proprietorship. الملكية الفردية
- ② Partnership. الشراكة
① General Partnership
② Limited Partnership
- ③ ~~Cooperatives~~ Cooperatives التعاونيات
- ④ Corporation الشركات المساهمة العامة

(*) Sole proprietorship

11, March owns debts

→ owned & managed by one person who is responsible for

↳ Usually owned & operated by one person.

adv: 1 Freedom is the most important benefit.

2 The person answers to no one But himself (his own boss)

3 Simple legal procedures.

4 tax benefit / 5 low start up cost.

disadv: 1 Unlimited Liability

2 Lack of continuity

3 Limited Resources

4 hard to Borrow / 5 Depends on the resources of one person



General

* Partnership

Two or more owners who share the operation & the financial responsibility.

مشتري حصة توزيع الارباح والاستثمار يكون متساويين بين الشركاء

→ Silent partner → Invests all funds needs,

But he has no role in management.

→ Labor partner → invest nothing in money but provides all the labor

adv: 1. Ability to grow (talent & money)

2. easier to borrow.

3. simple legal Regulation.

1. Unlimited liability.

2. lack of continuity.

3. transferring ownership

Limited Partnership

↳ limited partners & one general partner

→ limited partner → لا دور في management

→ active partner → General Partner → يتحمل المسؤولية البين

وممكن يخصص الكثير من الاموال للاستثمار (أقل) (أكثر) (متساوي) (مساوي) يكون

الم دور بالادارة

master limited → ماستر ليميتد

* Cooperatives

من عبارة عن جمعية تعاونية يعمل

بعض رجال الاعمال والهدف من مساعدة الناس وهم يتبرعوا

والمنتج يُباع بأسعار معقولة

مثال: انشاء الاسرة و مؤسسات الاقربى

* Corporations:

الشركات المساهمة

الكبرى

→ Business that considered as separate entity from its owners & is liable for own debts.

← الشركات او المؤسسات الكبرى تعتبر كياناً مستقلاً

Characteristics: المميزات / الخصائص

- ① It can sue & be sued.
- ② Buy, hold, sell property.
- ③ Make & sell products.
- ④ Commit crimes & get punished for them.

Advantages:

- ① Limited liability.
- ② Continuity → unlimited life.
- ③ Easy to raise money.

disadvantages

① tender offer to buy shares made by a prospective buyer.

② (The corporation can be taken over the will its managers).

③ double taxation تقوم الشركة بدفع الضريبة

والموظفون يدفعون مرة أخرى للضريبة

* Type of corporation:

① closely held (private) مساهمة خاصة

(Family members)

② publicly held (public) سهم للاسهم

whose stock is widely held & available for sale to the general public.

③ S corporation → hybride between closely held & partnership.

4 Limited Liability Corporation:

Hybrid between publicly held and partnership

5 Professional Corporation

من مؤسسات الدعامة

او المحاسبين ، المسؤولية فردية على المال وليس غير ذموية عن
صوت من الأطباء (أي يتم ممارسة الطب)

Limited financial liability but ~~not~~ unlimited
~~professional~~ professional liability.

6 Multinational Corporation → Stocks are exchange in different countries.

يمكن تباع الأسهم في كل العالم

March, 18

(*) Managing a Corporation:

(1) Board of directors. (BoD) ^{لجنة الادارة} ^{ليست في الاصل فقط}

(2) Stock holders = share holders → owners

(3) officers → chief Executive officer (CEO) ^{المدير التنفيذي}

العلاقة بين (1) (2) (3) ^{تتبع}

(1) stock holders elect BoD

(2) BoD hires CEO & other officers

(3) CEO ^{يقود} ^{تدير الشركة}

(*) Special issues in corporate ownership:

⇒ Strategic Alliances → ^{اي تعامل بين الشركات} ^{كاتف استراتيجي}

↳ two or more corporations collaborate for mutual gain

⇒ long term

⇒ Joint venture ^(مشروع جديد) ^{المشروع الذي ينتج عن التحالف بين الشركات}

↳ joint ownership of a new venture.

وذا ينتج عن المشروع ← عادي كل واحد يبيع ~~كالتو قبل~~ ما يبيع التحالف (ما يبيعوا الشركات)

⇒ employee stock ownership plan: ^{الشركة تبني للموظفين المنح}

^{بعض الاسهم} ^{مكافئة} ^{من اشعروا انهم مالكون للشركة}

↳ ownership to good employees.

→ Institutional ownership: Large Investors that buy

العلاقة
بشركة
الاسهم

Corporate stock → المرابحة

إذا كان عني بيع اسهم tender offer

انماج شركة مع اخرى عشان قسم
→ Merger → $A + B = \overset{C}{AB}$

اقوى وطلع عني شركة كبرى من الشركتين

شركة بتشتري شركة
→ Acquisition → $A + B = A$ / $A + B = B$ → اخرى

→ Spinoff → Setting up one or more units as new independent → شركة

→ Divestiture → The company sells one or more of its Business Unit → بيع

زبي مثلا شركة الارتباط كان فيها طلب عالي مع دليل
الارقام ففعلت شركة تابعة الا (استفقت منها) حاجة للاستقلالات
دليل الهاتف