

ENTREPRENEURSHIP

MCCTC CBI PROGRAM

WHAT IS AN ENTREPRENEUR?

Someone who runs his or her own business.

Why are small business's important?

- They create jobs. The majority of all new jobs are provided by businesses employing fewer than 20 people.
- Small business's rejuvenate old buildings.
- Small business provides opportunities for women and minorities to get started in business.

HOW ARE SMALL BUSINESS'S ORGANIZED?

Proprietorship

A business owned by one person, who receives all the profits. The owner may have employees.

Partnership

A business that has two or more co-owners. Partnerships often come about because proprietors need additional money or want help running their business. Owners in a partnership share in the company's management and profits.

HOW ARE SMALL BUSINESS'S ORGANIZED?

Corporation

Is very different from the other two forms of business. In return for a fee paid to the state, a corporation receives a **charter**, a legal document that gives the corporation permission to conduct certain business activities. The owners of a corporation are called **stockholders**. They have become owners by purchasing stock or shares of ownership in the company. The stockholders elect a board of directors. The board makes major decisions about the company, such as hiring the company president.

ADVANTAGES OF SELF-EMPLOYMENT

Advantages

Control, Freedom, and Flexibility

- You make all of your own decisions and no one tells you what to do. You also decide when and how long you want to work.

Excitement and Earning Potential

- Each day has new challenges. As your business grows it becomes more rewarding.
- When you work for someone else your income is limited but when you work for yourself you decide how much you should be paid.



DISADVANTAGES OF SELF-EMPLOYMENT

Disadvantages

Unpredictable long hours.

- It is your business so you must work as long and as hard as it takes to become successful. It is your responsibility.

No guarantee that you will make money or even get paid.

- Little to no money until your business starts to grow. Your own personal income is at risk.

High Stress

- You have to handle many duties and you are responsible for mistakes and customer satisfaction. If you fail, you are to blame.



KEYS TO SUCCESS

I. Personality

- Ability to take action when needed
- Ability to lead others
- Being dependable and trustworthy
- Being a good organizer
- Ability to work hard
- Ability to make good decisions
- Having a positive attitude
- Being honest and open
- Ability to accomplish goals
- Desire to succeed
- Willingness to take risks

KEYS TO SUCCESS

2. Know How

- Finance
- Economics
- Management
- Marketing
- Accounting
- Commercial Law

3. Money - Business owners must pay

- Rent
- Utilities
- Other operating costs
- Purchase equipment and supplies
- Pay employees
- Owners salary (if there is anything left over)