

Chapter 3

25, Feb

Entrepreneurship, New venture, and Business ownership.

- ① عدد العمال (Employee count)
 Large (20-∞) Medium (9-19) Small (0-9)
 ② رأس المال المستثمر (Invested capital)
 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 تساعد الشركات الصغيرة.

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

Economy:-

- ① Job creation - خلق فرص عمل
- ② Innovation - الابتكار / الإبداع
- ③ Contribution to Big Business - المساهمة في الأعمال الكبيرة (مساهمة الشركات الصغيرة)

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) (كبير أو صغير)
- 7 Transportation النقل
- 8 other →

It might be considered big.

* Entrepreneurship

* Entrepreneurship (الريادة) → ^{person} المبادرة الريادية

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

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

* Entrep goals :- (الأهداف)

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

صفات الشخص المبدع :- Entrepreneur characteristics :-

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

Entrepreneur في Small Business

Small Business ليس Entrepreneur

الفرصة (Opportunity) :-



The process of seeking opportunities to open new ventures.

(Opportunity)

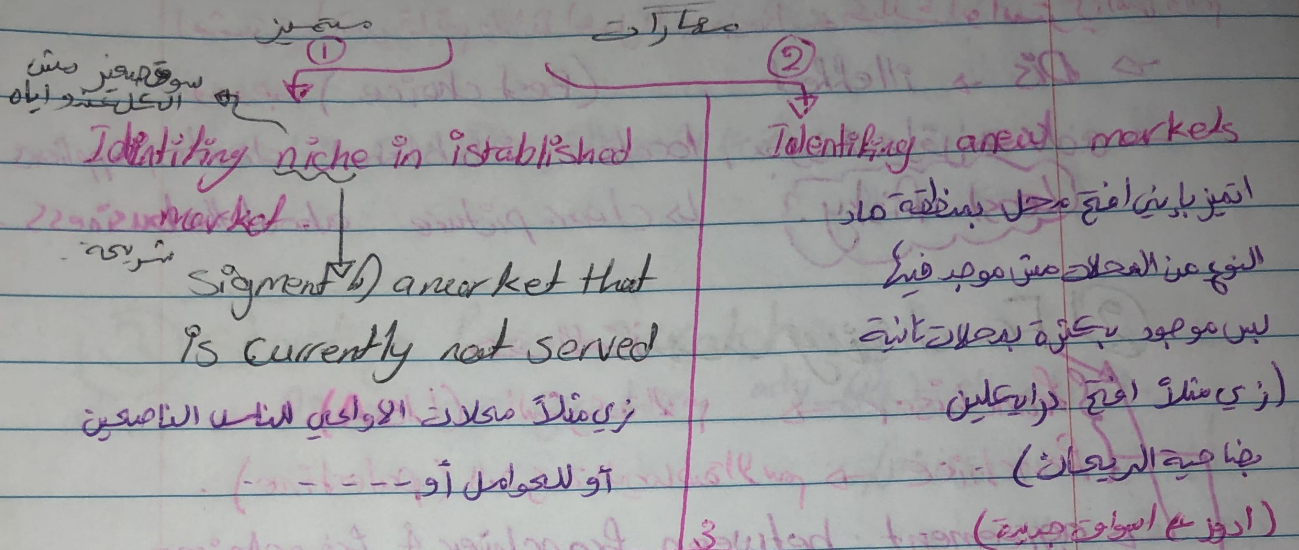
(Opportunity)

Degree of financial security.
Opportunity.

March 4

Starting & operating a small Business

① Distinctive Competencies



first mover advantage.

لـ الى لستيق يكون متميز أكثر

→ If I'm the first It will get more benefit

② 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

* Starting the small Business.

① Buying an existing Business.

لو تبتال غير من الحسن
استري اشي قائم ولا انا اعمل ال Business بحالك او استري اشي قائم
وموجود (Best choice)
Dis → illeffect

adv → يكون السواقين , location, established clients & suppliers.
(Least Risky.) → clear picture about the business.

② Franchising

حق الامتياز
Franchiser → (USA) الشركة الام
Franchisee → الشركة الفرعية الاسم (palestine).

→ agreement between franchiser & franchisee.

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

2 They help in choosing store location

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 لا يستطيعون إنشاء شيء جديد
بكل العالم

③ Starting from scratch
dis → Risks are greater. adv → No ill effect.

لا يستطيعون إنشاء شيء جديد

Business

② I choose everything

6, March (بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ) (بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ) (بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ)

* Financing the Small business :-

1 From his own money (personal saving) - أكثر من استثماره

2 Family, Friends.

3 Lending institutions. مؤسسات الإقراض

4 Venture Capital Companies

↳ group of small investors who invest money in small Business

5 SBA financial programs.

* Trends, Success, Failure in new ventures :-

Startups :-

1 E-commerce التجارة الإلكترونية

2 Cross over from Big Business.

3 opportunities for women & minorities. الفرص

4 Global opportunities.

5 Better survival rates.

* Reasons for failure :-

1 managerial incompetence / inexperience (عدم خبرة / مهارات)

2 Neglect (إهمال)

3 weak control system عدم السيطرة على الموظفين والأدوات

4 Insufficient Capital (نقص رأس المال لصنع منتج)

فشل رأس المال

ناجح

(*) Resources for Success :-

- ① Hard works drive dedication (العمل الجاد يدفع التمسك)
- ② Market Demand for the product (الطلب في السوق على المنتج)
- ③ Managerial Competence (الكفاءة الإدارية)
- ④ Luck (الحظ)

Non Corporate

(*) Business ownership :-

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

(*) Sole proprietorship

11, March attits 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



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 كل المسؤولية التي

وممكن يخسر الكثير من التي استثماره (أقل) (مستثمر) و (أكثر) (مدير) ويمكن يكون

الم دور بالادارة

master limited → مسئول بالادارة

* Cooperatives

هي عبارة عن جمعية تعاونية يعمل بها
بعض رجال الأعمال والهدف من مساعدة الناس وهي غير ربحية
والمنتج يُباع بأسعار معقولة
مثال: الاتحاد الاسوي و مؤسسات الاقرا

* Corporations:

الشركات المساهمة

(الكبرى)

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

← الشركات او المؤسسات الكبرى تعتبر كيانا مستقلا

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

④

* Type of corporation:

① closely held (private)

(Family members)

② publicly held (public)

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

③ S corporation → hybrid between closely held & partnership.

4 Limited Liability Corporation:

Hybrid between publicly held and partnership

5 Professional corporation

من مؤسسات الدعامة

او المحامين ، المسؤولية محدودة على المال وليس على غير مادية عن
حقوق الأطباء (أي يتم مسؤولية الطبيب)

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

6 Multinational corporation → Stocks are exchange in different countries.

يمكن تباع أسهمه في كل العالم

March, 18

(*) Managing a Corporation:-

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

(2) Stock holders = share holders = owners

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

③ ② ① العلاقة بين

① Stock holders elect BoD

② BoD hires CEO & other officers

③ CEO ^{يقين} ^{تدير الشركة}

(*) Special issues in corporate ownership:-

⇒ Strategic Alliances → أي تعامل بين الشركات كالف 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 كل واحد يبيع كالتو قبل ما يبيع التحالف (ما يبيعوا الشركات)

⇒ employee stock ownership plan:- الشركة تبقي للموظفين المانع

يعطوا الاسهم مكافئة لهم فيشعروا انهم مالكون للشركة

↳ ownership to good employees.

→ Institutional ownership: Large Investors that buy

العلاقة
بالمالك
الأسهم

the Corporate stock → بالمراعاة

إذا كان عيني على بيع أسهم tender offer.

انماج شركة مع أخرى عشان نفس
→ Merger → $A + B = AB^C$

أقوى وطلع عيني شركة كسوف من الشركتين

شركة بتشتري شركة → $A + B = A$ / $A + B = B$ → أخرى
→ Acquisition → شراء

→ Spinoff → Setting up one or more units as new
Independent → بشفقة

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

نزي مثلاً شركة الاتصالات كان فيها طلب عالي على دليل
الأرقام ففعلت شركة تابعة اللى (استقلت منها) خاصة بالاستعلامات
دليل الهاتف