

BE YOUR OWN BOSS!

Many young people want to start their own business, utilizing a special skill they may have, or offering a service that is unique. It requires some serious research into the type of business, plus a confidence in the skills set that will be used or sold. It also requires a certain amount of capital to start the business – either in the form of savings or from a small start-up loan.

THE SOLE PROPRIOTOR

If you are the only person involved in the business – **YOU ARE THE BUSINESS** and are referred to as the sole proprietor.

This is the oldest form of business ownership and is owned and managed by a person with entrepreneurial skills.

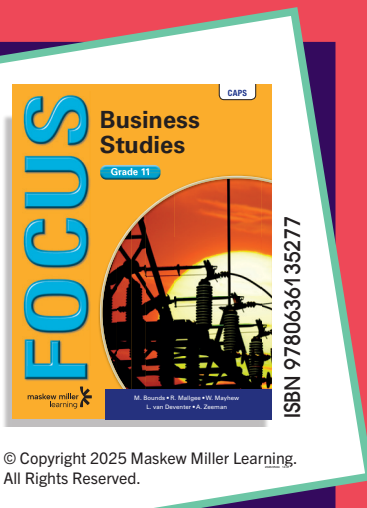
A sole proprietor owns, works and manages the business alone. These businesses are usually small and often include service trades such as IT, plumbers, electricians, hairdressers and very small retail stores like bakeries, dry cleaners and market stalls.

THE ADVANTAGES

- The owner gets **ALL** the profits.
The better the business is run, the higher the profit.
- All decision making is done by the owner which gives them the freedom to make any decisions and implement them immediately.
- The business owner will be incentivised to work harder as he is working for himself.
- The business management is better and it is run by the owner.

THE DISADVANTAGES

- The owner takes on all the running responsibilities on their own. If the owner dies – or becomes ill – it can mean the end of the business.
- The owner is personally responsible for all company debts. If the owner runs up debts, his personal belongings will be sold to pay those debts.
- The owner **MUST** have enough knowledge and expertise or the business may fail.



THIS WORKSHEET IS PUBLISHED BY

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