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**Business Ownership: How Sweet It Can Be!**

**INTRODUCTION**

Have you ever thought about starting your own business? It is an idea worth considering, for several reasons. People who start up a business gain the opportunity to work at something that they really love, the power to control their work life, the ability to build something new, and the potential to earn a lot of money.

**TASK**

* Investigate the three major forms of business organization: sole proprietorships, partnerships, and corporations.
* Offer advice to people interested in beginning or expanding a business.
* Research and prepare a report on a successful businessperson and the business she or he they founded.

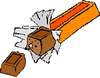
**PROCESS**

**Activity 1: Three Types of Business Organization**  
  
There are many different goods and services that a new business can offer, but there are only only a few ways to organize a business. The vast majority of businesses start out as sole proprietorships or partnerships. A third option is to set up a corporation. In the United States, about 70 percent of all businesses are sole proprietorships, 20 percent are corporations and the remaining 10 percent are partnerships. Each type of business has distinctive characteristics.  
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A **sole proprietorship** a business that is owned and managed by one individual who receives all the profits and bears all losses.  
  
http://www.econedlink.org/lessons/images_lessons/533_partnership1.gif  
A **partnership** a business that is owned and managed by two or more individuals who receive all profits and bear all losses.

A **corporation** is a business that is owned by stockholders and that has legal rights and responsibilities as if it were a person.

An entrepreneur is a person who starts up a new business, taking on risk and hoping to make a profit.  
  
Read more, at this [Small Business Planner](http://www.sba.gov/smallbusinessplanner/index.html" \o "Small Business Planner" \t "_blank) website, about each type including their advantages and disadvantages.  
  
**Activity 2: Sweet Opportunities**  
  
Imagine you operate a consulting business, giving advice to people who are thinking about starting or expanding their own business. Read the client stories in this file, [Sweet Opportunities](http://www.econedlink.org/lessons/docs_lessons/533_Sweet_Opportunities.pdf), then prepare a written recommendation as to which form of business organization you think is best for each. State the reasons for your recommendations. In each case, there will be some disadvantages to the business form you recommend. Identify at least one negative for each and suggest how the client you might minimize its effects.  
  
As you prepare your report, keep in mind that starting a business involves more than just finding something to sell. The entrepreneur may need money may be needed for buildings, equipment and other start-up expenses. He or she must also know how to manage the business, or find someone else to work as a manager.

If you need research additional information to help you make your recommendations, or click on the titles below:  
  
["Should You Have a Partner”](http://www.myownbusiness.org/s4/index.html" \l "1" \o "\"Should You Have a Partner\”" \t "_blank)   
["What Type of Business Organization is Best for You?"](http://www.myownbusiness.org/s4/index.html" \l "2" \o "\"What Type of Business Organization is Best for You?\"" \t "_blank)   
  
**Activity 3:** **Sweet Success**  
  
You have probably noticed that all of your clients had opportunities in the “sweets” industry. In fact, all of these are true stories that ultimately led to very successful business ventures for people selling chocolate and chocolate-related products. Their success was sweeter than most! Did you recognize any of these entrepreneurs and their businesses? Click on the name for more information.

Client 1: Elise MacMillan and her brother Evan co-founded [The Chocolate Farm](http://www.csmonitor.com/2001/0207/p13s1.html" \o "The Chocolate Farm" \t "_blank) in Englewood, Colorado, in the late 1990s.  
  
Client 2: Milton Hershey broke ground for his chocolate factory near Lancaster, PA in 1903. It was the beginning of what would become [Hershey Foods Corporation](http://www.hersheys.com/" \o "Hershey Foods Corporation" \t "_blank) .  
  
Client 3: [Forest Mars](http://inventors.about.com/od/mstartinventors/a/ForrestMars.htm" \o "Forest Mars" \t "_blank) invited Bruce Murrie, an investment banker and son of the Hershey company president, to be his partner in M&M Ltd. The M&Ms we still eat today were first sold to the public in 1941. The letters in "M&M" stand for Mars & Murrie. Eventually, Murrie left the business but Forest Mars became the owner of [Mars, Inc.](http://www.mars.com/global/index.aspx" \o "Mars, Inc." \t "_blank)   
Client 4: Wally Amos launched the [Famous Amos Cookie Company](http://www.famous-amos.com/" \o "Famous Amos Cookie Company" \t "_blank) in a Hollywood, CA storefront on Sunset Boulevard in 1975.  
  
Have the students read about one of these persons and the business he or she created. Then report their findings about what happened to the entrepreneur and the business. Be sure to have them include answers to the following questions.

1. What has happened to the founder of the business?
2. Is he or she still involved with the company?
3. What other things has he or she done?
4. Who owns the business?
5. How has the business changed?
6. Has the company been involved in any mergers or acquisitions?
7. What products does the company sell?

*[NOTE: If a company has incorporated and is publicly traded, another source of information will be* *[Hoover’s Online Directory](http://www.hoovers.com/" \o "Hoover’s Online Directory" \t "_blank) ]*

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