
Selecting Your Business

Entrepreneurship 12

Product or Service

- Product – something that exists in nature or is made by human beings.
 - *Tangible*: it can be touched
 - Service – work that provides time, skills or expertise in exchange for money.
 - *Intangible*: you can't actually touch it
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Four Basic Business Types

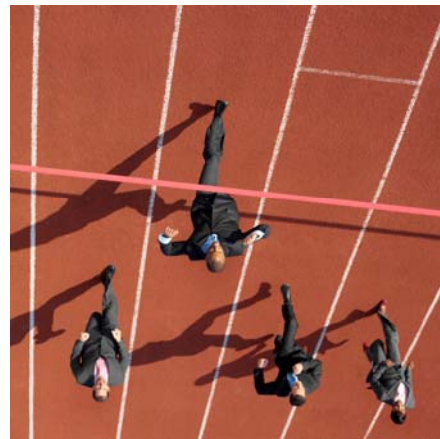
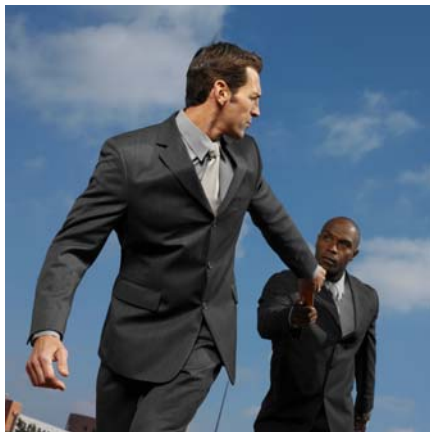
1. **Manufacturing** – makes a tangible product
 2. **Wholesale** – buys in quantity from the manufacturer and sells to the retailer
 3. **Retail** – sells to the consumer
 4. **Service** – sells an intangible product to the consumer
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Competitive Advantage

- Defⁿ: strategies for beating the competition



- Whatever you can do better than the competition that will attract customers to your business



Six Factors of Competitive Advantage

1. **Quality** – Can you provide higher quality than competing businesses?
 2. **Price** – Can you offer a lower price than your competition?
 3. **Location** – Can you find a more convenient location for customers?
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Six Factors of Competitive Advantage (cont'd)

4. **Selection** – Can you provide a wider range of choices than your competition?
 5. **Service** – Can you provide better, more personalized customer service?
 6. **Speed/Turnaround** – Can you deliver your product or service more quickly than the competition?
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More on Competitive Advantage

- To learn which competitive advantages are working in your market, ask your customers!
 - Where do they shop, and why?
 - If you have more than one business idea, try writing down some possibilities, pros and cons.
 - Eliminate them one by one
 - ****Your business should be SIMPLE and SAFE****
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Ethics of Choosing a Business

- An *ethic* is a rule for choosing right from wrong.
- Some businesses are legal but unethical.
 - If you believe that cigarettes are harmful, then you might feel it would be unethical to sell them

Some basic ethics:

1. My business is legal
 2. My business will not hurt others
 3. My business will not spread negative messages in the marketplace
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Naming Your Business

- The name of your business will be the *first impression* you make on potential customers.
 - Using first name to identify your venture shows pride – “Joe’s Pizza”
 - Using your last name may not be a good idea
 - What if the business fails?
 - What if the business succeeds and you want to sell it?
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Naming Your Business (Cont'd)

- The KISS principle!
 - “Keep It Short and Simple”

 - The best name is one that tells customers what the company does, sells, or makes
 - E.g.
 - UPS – United Parcel Service
 - Future Shop
 - Save-On Foods
 - Burger King
 - Pet Smart
 - Microsoft
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