

Business Advice (Scenario #1)

Luke, Austin, and R.J. have been close friends since high school, and even went to college together. All three graduated last year; Luke with a degree in Computer Science, Austin with a degree in Graphic Design, and R.J. with a degree in Business Administration. All three self-proclaimed “computer geeks” and have worked part-time through high school and college fixing computer problems. Each has approximately \$50,000 in savings for this business venture. They have been talking about starting a computer company in their local town to help businesses and individuals with computer problems or those who need help developing and designing web sites. In doing research, Justin found that there are only two other computer companies in their town of 100,000 people, and neither one will do both web design and computer hardware/software troubleshooting.

What type of business organization should Luke, Austin, and R.J. adopt?

Why?

Business Advice (Scenario #2)

Tyler, a 27-year-old married man, just completed his fifth year as a journeyman carpenter with John Casey Homebuilders, a small homebuilder 25 miles from his hometown. Tyler has just received an inheritance of \$100,000 from his favorite aunt. During the past five years, Tyler has been able to purchase many of the tools and equipment that he needs to be a good finish carpenter. He has not been satisfied working for John the past couple of years and has talked with his wife about starting his own business. Tyler's wife, Esther, agrees that in order to be happy, and fully supports him in opening his own business. Esther graduated from the local university with a degree in liberal arts but stays at home with the kids.

What type of business organization should Tyler adopt?

Why?

Business Advice (Scenario #3)

Troy and Tristan have decided to open a competitive Cheer and Dance business. Troy's expertise is in business. He has a degree in Business Administration with a minor in Underwater Basket Weaving. Tristan, on the other hand, has a degree in Sports Management and has been coaching the Tesoro cheerleading team, while his girlfriend, Beatrix, has been coaching the dance team. The problem is that no one has much capital to invest. In fact, both are having a little trouble figuring out how they will be able to get the startup capital for the business. Fortunately, there are no other competitive Cheer and Dance companies in the area. Unfortunately, the potential buildings they have found to lease costs over \$7,000 per month and they expect that utilities and water will cost approximately \$650 per month. Liability insurance is expensive as well, estimated to be \$2,000 per month due to possible injuries.

What type of business organization should Troy and Tristan adopt?

Why?

Business Advice (Scenario #4)

Auva and Chad knew that they wanted more out of life. Auva works as an inspector for the city health department, which involves inspecting restaurants and food service establishments to see whether they are operating according to local laws. Chad worked as an insurance agent for the first 10 years of their marriage and stays at home even though their kids are old enough to take care of themselves. Their home is paid for and their oldest daughter has received a scholarship to attend their local state university. Their son, Chester, is a senior in high school. Neither Auva nor Chad has much experience in owning or operating a small business, yet this is what they want to do when their son graduates from high school. They have been frugal and have saved over \$200,000 for this venture. Auva will not be quitting her job for a while. This will leave Chad with the responsibility of running the business.

What type of business organization should Auva and Chad adopt?

Why?