

BUSINESS ENTITY COMPARISON TABLE (part1)

This table provides an at-a-glance reference to how the most common business entity types—sole proprietorship, general partnership, C Corporation, S Corporation, and LLC—compare in a number of key characteristics. You should consult with a licensed CPA and/or attorney to determine which is best for your unique situation.

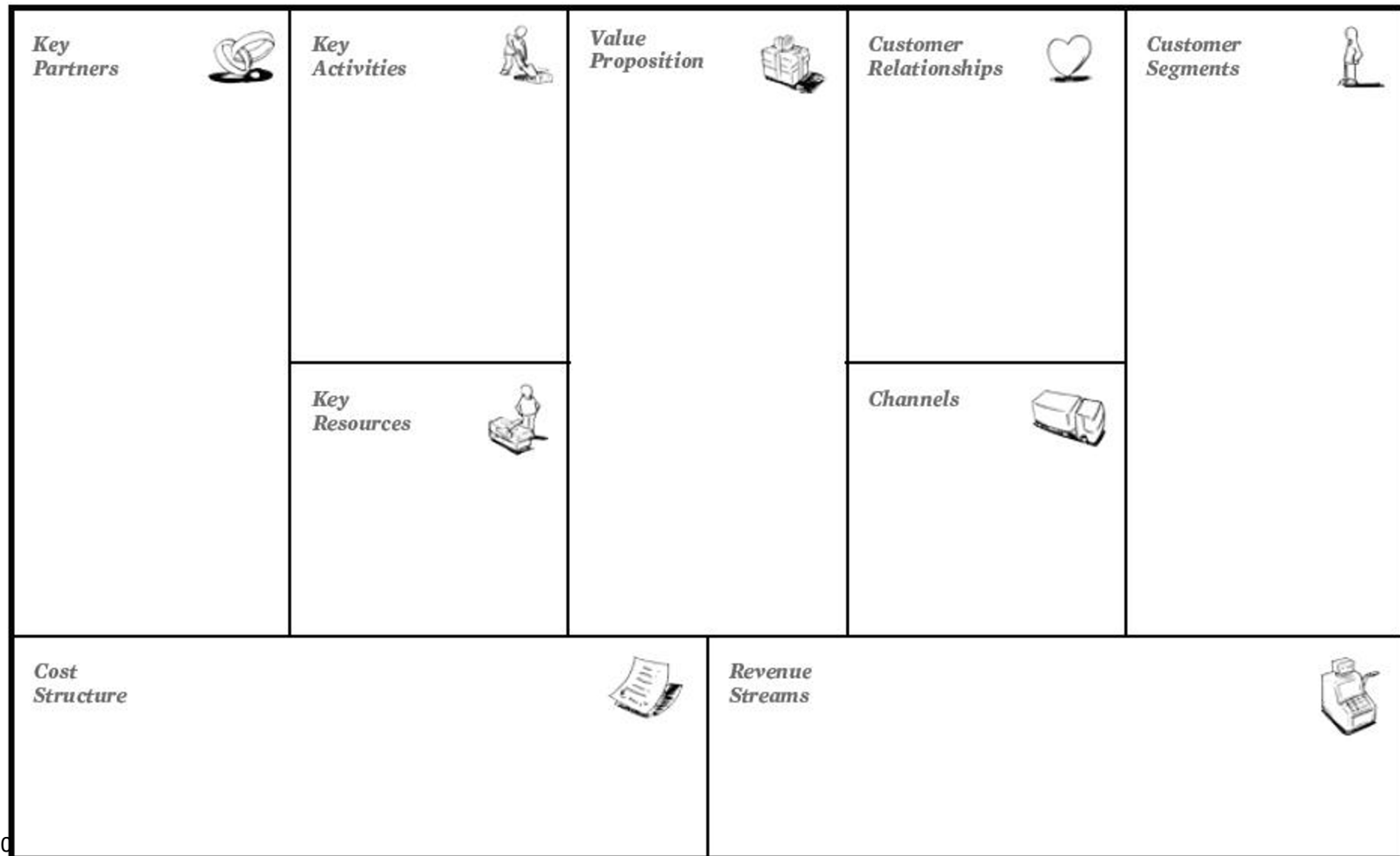
Entity Type	<u>Sole Proprietorship</u>	<u>General Partnership</u>	<u>Limited Partnership (LP)</u>	<u>Limited Liability Partnership (LLP)</u>	<u>C Corporation</u>	<u>S Corporation</u>	<u>Limited Liability Company (LLC)</u>
Formation	No state filing required	Agreement between two or more parties. No state filing required. TN Uniform Partnership Act is recommended format.	State filing required	State filing required.	State filing required	State filing required	State filing required
Duration of existence	Dissolved if entity ceases doing business or upon death of the sole proprietor	Dissolves upon death or withdrawal of a partner, unless safeguards are specified in a partnership agreement	Perpetual	Dependent on the requirements imposed by the state of formation	Perpetual	Perpetual	Dependent on the requirements imposed by the state of formation
Liability	Sole proprietor has unlimited liability	Partners have unlimited liability	At least one general partner has unlimited liability	Partners are not typically responsible for the debts of the LLP	Shareholders are typically not responsible for the debts of the corporation	Shareholders are typically not responsible for the debts of the corporation	Members are not typically responsible for the debts of the LLC
Operational Requirement	Relatively few legal requirements	Relatively few legal requirements	Some formal requirements, but less formal than corporations	Delaware, Georgia, Pennsylvania, Texas, and Virginia require an LLP to carry insurance or an escrow account to cover liabilities	Board of Directors, annual meetings, and annual reporting	Board of Directors, annual meetings, and annual reporting	Some formal requirements, but less formal than corporations
Management	Sole proprietor has full control of management and operations	Typically each partner has an equal voice, unless otherwise arranged	Limited partners are excluded from management unless they serve on the Board of Directors	All partners have the right to manage the business directly	Managed by directors who are elected by shareholders	Managed by directors who are elected by shareholders	Members have an operating agreement that outlines management

BUSINESS ENTITY COMPARISON TABLE (part 2)

<u>Entity Type</u>	<u>Sole Proprietorship</u>	<u>General Partnership</u>	<u>Limited Partnership (LP)</u>	<u>Limited Liability Partnership (LLP)</u>	<u>C Corporation</u>	<u>S Corporation</u>	<u>Limited Liability Company (LLC)</u>	
Taxation	Not a taxable entity. Sole proprietor pays all taxes	Not a taxable entity. Each partner pays tax on his/her share of income and can deduct losses against other sources of income	Files taxes as a separate entity and must meet certain criteria to avoid being taxed as a corporation	Files taxes as a separate entity and must meet certain criteria to avoid being taxed as a corporation	Taxed at the entity level. If dividends are distributed to shareholders, dividends are also taxed at the individual level	No tax at the entity level. Income / loss is passed through to shareholders	If properly structured, there is no tax at the entity level. Income / loss is passed through to members	
Pass through income/loss	Yes	Yes	Yes, if requirements are fulfilled	Yes, if requirements are fulfilled	No	Yes	Yes	
Double taxation	No	No	No	No	Yes, if income distributed to shareholders as dividends	No	No	
Cost of creation	None	None	State filing fee required	State filing fee required	State filing fee required	State filing fee required	State filing fee required	
Raising capital	Often difficult unless individual contributes funds	Contributions can be made from partners, and more partners can be added	Contributions can be made from partners, and more partners can be added	Contributions can be made from partners, and more partners can be added	Shares of stock are sold to raise capital	Shares of stock are sold to raise capital	Possible to sell interests, though subject to operating agreement restrictions	
Transferability of interest	No	No	Yes, pending approval of other limited partners and the general partners	Possible, dependent on operating agreement restrictions	Shares of stock are easily transferred	Yes, observing IRS regulations on who can own stock	Possible, dependent on operating agreement restrictions	

Business Model Canvas

(Alex Osterwalder & Yves Pigneur – Business Model Generation)



Entrepreneurial Self Evaluation – where do you fall in these categories?

ENTREPRENEURIAL CHARACTERISTICS SCALE									
			(rate 5-1)	5	4	3	2	1	
WORK ETHIC	(_____)	Strong, self-motivated						Weak, others motivated	
RISK TOLERANCE	(_____)	High risk taker						Risk averse	
EDUCATION/EXPERIENCE	(_____)	Years of education/experience						Little or no experience	
ORGANIZATION	(_____)	Highly organized						Scattered, disorganized	
DECISION MAKING	(_____)	Very decisive						Cautious, afraid to err	
TIME MANAGEMENT	(_____)	Highly scheduled						Take things as they come	
LEARN FROM MISTAKES	(_____)	Never make same mistake twice						Same mistakes over and over	
PERSISTENCE	(_____)	Doggedly determined						Easily discouraged	
SUPPORT SYSTEM (including family)	(_____)	Strong support						Little or none	

THE ENTREPRENEUR DECISION AND PLANNING PROCESS

FOUR KEY AREAS:

- **THE VISION STATEMENT**
 - **A VISION STATEMENT** has more to do with the future and really describes what an organization plans or hopes to be in the future. This is more inspirational or motivational and drives employees and demonstrates the company goals to stakeholders (customers or investors). This statement is future oriented, NOT present oriented, and sets forth how a company wants to be viewed. The statement should be clear, optimistic and realistic. Where does the company want to be in 5 or 10 years?
- **THE MISSION STATEMENT:**
 - **THE MISSION STATEMENT** has a more “present day” focus and describes how a company plans to achieve its objectives. It provides employees and stakeholders with a statement that clearly articulates what the organization is doing, how it is going to do it, and ultimately why it’s doing it. It also details who the organizations’ customers are, and the “value proposition” of the company.
- **STATEMENT OF STRATEGY:**
 - A strategy plan is a method or plan to bring about a desired future, such as achievement of goal or a solution to a problem. It concerns the art and science of marshalling resources for their most efficient and effective use. An example may be that a company “defined a strategy where it would reduce the price of its products that had been in market for more than 90 days to reduce their inventory”. A company such as Coca Cola has many marketing channels, both internal and external, with strategies for each to sell to customers, both retail and wholesale, overseas and domestic, etc. Each has a separate strategy for supply chain distribution and where customers may access the product.
- **TACTICAL PLANS:**
 - These are steps to achieve the goals of the company in detail. If a company’s strategic plan is to become a market leader and to gain share, its tactical plan might be to double the amount spent on marketing and advertising.
- **THE FEEDBACK LOOP:**
 - The **RESULTS** of these steps will be reflected in financials, client feedback, and management observations of the EXECUTION of business plans. Each plan area can be revisited and can be validated or redesigned to improve performance.

Principles of Business Creation

Business Creation:

- One perspective on what the new entrepreneur must work on is **“Four Operating Principles”** of business creation:
 - People: finding highly qualified people who are committed to company values, mission and goals.
 - Process: A **business process** is a collection of linked tasks which find their end in the delivery of a service or product to a client. Also defined as a set of activities and tasks that, once completed, will accomplish an organizational goal. (See link: https://en.wikipedia.org/wiki/Business_process_management)
 - Systems: defining and designing the information architecture of organizations.
 - Structure: 1) the legal entity type adopted by the business and registered with the appropriate authority and tax election bodies and 2) the organizational structure of the company that facilitates achievement of goals and objectives (Matrix, Functional, Divisional, Customer, Geographic). These identify each job and where it reports to in the organization, and aids in effective communication.

SCORE Nashville Client Questionnaire

Please answer to the best of your ability. It will help us prepare for our initial meeting. We realize you might have difficulty with some questions. That's OK.

Counselors Name:

1. Name:

2. Preferred email address:

3. Cell phone number:

4. Company Name:

5. How did you find SCORE?

6. What is your professional/business background, and have you owned a business before? (Describe)

7. What is your product or service?

8. Please provide a brief overview of your business/concept, industry, etc.

9. What is your role in the company? Do you have partners? What are their roles?

10. What stage of development is your business or concept?

11. For-profit or not-for-profit business?

12. Who is your customer?

13. How will you sell your product or service?

14. What have you done to prove your idea or concept?

15. Will you require outside financing?

16. Where will your business be located?

17. When did you start your business, or do you have a target date for opening?

18. What are the business challenges that you have experienced and would like to discuss with Score?