

Assignment2- Unit 1c

Business ownership

There are many different ways of owning a business. Here are the ways in which all the business around the world are owned:

- *Sole trader*
- *Partnership*
- *Limited companies*
- *Co-operatives*
- *Franchises*
- *Public sectors*

Those are the ways in which all business is owned. Now here is a brief description of what they involve:

Sole trader- almost all of the business in the o.k. Are owned by sole traders. Sole traders are individuals who have set up a business on their own. If you are a sole trader you have 100% control over what happens in your business. Sole traders are usually small business, which could range from florists to accountants. If you are a sole trader you have unlimited liability. Unlimited liability is when you are responsible for paying al of the debts in which you may have run up. If your business as a sole trader fails you will have to pay your debts or if you don't you will become bankrupt. The best thing about starting up a sole trader business is that you are your own boss, you don't have to share your profits out and it is relatively easy and

straightforward to set up. But being a sole trader does have bad points about. To start with it is risky if you aren't sure what you are doing. You can lose everything think you own if your business goes under because you have unlimited liability. Last of all you work very long hours, and you can't really afford to be ill or take holidays because you will lose business.

Partnership- *a partnership is when two or more people going up to a maximum of 20 own a company. Many businesses are owned by partnerships just like sole traders. Partnership business share out their profits equally and debts if any are run up. This is because partnership start up capital is the same. Partnerships have unlimited liability just like sole traders. If one of the partners runs up a very big debt all of the other partners are responsible for paying it off. So when choosing a partner for a partnership you have to be very careful. The advantages of setting up a partnership business is that more money can be raised as a start up capital. Each partner shares out the responsibility equally. There is a wider range of skills, which is available for holidays and illness where in a sole trader business cover isn't usually available. The disadvantages to starting up a partnership business are that disagreements can occur easily. Profits have to be shared out equally no matter what. You have less say in what happens you have to persuade other partners before doing what you think. All partners have unlimited liability for all the dealings and all of the partners debts.*

Limited companies- *limited companies are companies, which are owned by shareholders. Directors run the company but the directors don't own the company. The shareholder invests money into the company in return for shares. Each share entitles them to a share to the profits in form of a dividend. The company then employees directors. The directors then run the business, it is common for the directors to have shares in the business that they run. Limited companies have limited liability the most money that a shareholder can lose is what they invested into the company. Private limited companies are different to public limited companies. Private limited companies are smaller than public limited companies. Shares*

in private limited companies aren't for sale to the general public. The people who run the company usually own the share in private limited companies. But both private limited companies and public limited companies have limited liability

Co-operatives- *there are two types of business, which are co-operatives. The business, which is co-operative, is a group of people who together produce bigger and better goods and provide better services. Its members own a co-operative business or society. The members have a right voting right and the right to claim discounts at retail shops and services that are owned by that society. Owners of co-operatives aren't called owners they are called members. Co-operative businesses exist for the benefit of the members. Members of the co-operatives share out the profits, which they made equally.*

Franchise- *if you are starting out in business as a sole trader and want your company to be a household name like Nike or Sony the answer is to use a franchiser. A franchisee is usually a sole trader they then pay the franchiser money for the use of their name, training, equipment and people. The franchisee has to pay the franchiser a percentage of their profits in return of their image, name etc. there is a risk for the franchiser, that's why they have ultimate control in the business because they must protect their reputation and image, they will control the products being sold or the service which is being given out to the people. The advantages of franchise business is that it is easy to get a bank loan from the bank for a franchise, you will receive training and be given appropriate and necessary equipment and you are going into a market which you know all about. The disadvantages of having a franchise business is that that you have to pay a percentage to the franchiser you will not make the ultimate decision, the franchiser will as it is their reputation and they have more to lose.*

Public sector- *public sector is business, which are controlled and owned. Public sectors are business which are none profit making businesses they rely on money being given to them by the government. Public sectors exist for the benefit of the public.*

Examples of public sector business are like the BBC, the Post Office, and BT etc. other examples of public sectors business are local authorities. The local authorities look after a wide range of services like the police, fir brigade, hospitals, prisons, schools, libraries etc.

Factors affecting location

One of the hardest things to do when setting up a business it to choose its location. There are many different factors, which have to be put into consideration before choosing a location. Many businesses, which currently exist, are based at that location because of the history and tradition of the company. If it moves it will rarely move far because of the workforce which it employees and commercial contacts which it has already made in that area, so what would be the point in moving.

The factors, which are usually put into consideration before buying premises for their business, are:

- The skill of the local labor force.*
- The cost of the local labor force.*
- The cost of the premises, which are wanted.*
- Charges made by the local government.*
- Financial support from the local government agencies.*
- The access to the local customers and suppliers*
- The history and tradition of the business.*
- The sales techniques used by the company.*

All of these factors have got to be put into consideration before deciding upon that particular location. Here are some examples of

different kinds of business and how essential it is for their location chosen to be the correct one:

Vineyard- *the most important factor, which needs to be put into consideration before choosing a location for a vineyard, is that the location needs to be close to sunny, well-drained land in order for the vines to grow.*

A coal powered PowerStation- *the most important factor that needs to be put into consideration when choosing a location for a coal powered power station is that it needs to be located next to coal mine in order for it to generate power.*

An expensive restaurant- *when choosing a location for an expensive restaurants that it needs to be in an area where rich wealthy customers live which will want to visit their restaurant. There is no point in opening up expensive restaurant in the middle of a council estate, because nobody who lives there could afford to eat there.*

A large factory- *the most important factor to put into consideration when deciding upon a location for a large factory is that it has to be located where non-skilled labor force live.*

A road haulage company- *when choosing a location for a road haulage company the most important factor to put into consideration is transport links. A road haulage company needs to be located close to motorways and major roads because they travel up and down the country daily.*

A sandwich bar- *when choosing a location for a snack bar the most important factor to put into consideration is that it has to be located close to hungry customers, which will eat food from a snack bar. For example where families have days out like theme parks, zoos and other events etc.*

A computer development company- when choosing a location for a factory which makes computers the most important factor which has to be put into consideration is that it has to be located close to skilled educated work force who are educated and know what they are doing.

Car manufacturing company- when choosing a location for a car manufacturing plant there are many things to be put into consideration. It has to be located close to unskilled labor force and close to get products and components in and out of the plant.

It is easier to recruit employees in some part of the country than others. For example it is cheaper to employ people in one part of the country than it is in others. For example it costs £500 a week to employ a male in London compared to an average of £349 per week in Northern Ireland.

Warburtons

Warburtons is a private limited company. The Warburtons family owns all the shares of the Warburtons Company. The Warburtons shares cannot be sold in the stock exchange or advertised for sale publicly through newspapers. If shares need to be sold they need to be sold privately with the agreement of all of the other shareholders but first they would have had to be offered to the other shareholders. Private limited companies have a limit to their liability. Warburtons being private limited means that they have a limit to their responsibility for the debts of the business. If the business goes into debt they only risk losing the money, which they have put into and invested in the company. They will not lose their personal possessions like in other ownerships.

The Warburtons liability is limited because it is a private limited company. This means that nobody is liable for the debts if it went into insolvency the company owners would only lose the money that they put into the business. They wouldn't lose their possessions in which they own. This is because they have limited liability and are incorporated. But Warburtons do have public liability insurance in case anything bad does happen.

Warburtons chosen being a limited company because it works best for them. It is the most convenient method of ownership for them. This is because of the liability. If Warburton lose everything they wouldn't become bankrupt they would be come insolvent. They would only become insolvent if they didn't pay their bills or can't sell anymore. Only Private limited companies and Public limited companies can claim insolvency. This is because they both have limited liability and are only liable for the debts of the company to the value of their share holdings in the Warburtons Company. If the warburtons company was a partnership it would have unlimited liability and could become bankrupt if it doesn't pay its bills. If one of the Warburtons family died or became bankrupt the partnership would have to be dissolved. So warburtons being private limited works out best because it is safer for the owners.

If warburtons wasn't a private limited company I think that being a Public Limited Company would work. I think that being a Public Limited Company would work out for them. This is because the Warburtons Company would still have their limited liability. If they have limited liability they can claim insolvency. If warburtons became a public limited company the Warburtons family would own it anymore though. It would be owned by the general public and shareholders so it would be a family baker anymore. Being owned by a partnership would work out well because they are a family and all could be joint owners of the company, but they would no longer have limited liability they would have unlimited liability and if they couldn't pay there bills they would become bankrupt, and could lose everything they own. The best ownership for Warburtons is what they currently have. That is being a private limited company because it suits all of there required needs.

Warburtons Location

When Warburtons choose a location for there new bakery they need to put many thing into consideration to make sure that it is an appropriate location for them to build on. Here are just some factors in which warburtons put into consideration before deciding on a site to build on:

- Planning permission.*
- Access to motorways and major roads.*
- Cost of the land.*
- The skills of the local labor force.*
- The cost of the local labor force.*
- Access to the local market (the customers)*
- Charges from the local government*
- Financial help from government agencies*
- Is it located close to any other of its rivals.*

When looking for appropriate locations for there new bakeries Warburton's seek out the help and assistance of the county council for land in the first instance when considering a appropriate location and then the private sector.

Warburtons own many bakeries and depots in the UK area. War burtons own 9 bakeries in the UK mainland and has another one currently being built. War burtons have 9 depots in the UK which all have good transport links. Here is the list for where all the bakeries in the U.k. are located:

- *Bolton (2)*
- *Burnley*
- *Oldham*
- *Wakefield*
- *Newcastle*
- *Nottingham*
- *Wednesbury*
- *Bellshill*
- *Blackpool*
- *Enfield (currently being built)*

War burtons have two in the Bolton area because there head office is located there. The War burtons head office address is:

*War burtons Limited
Back O'th' Bank House
Hereford Street
Bolton
BL1 8JB
England*

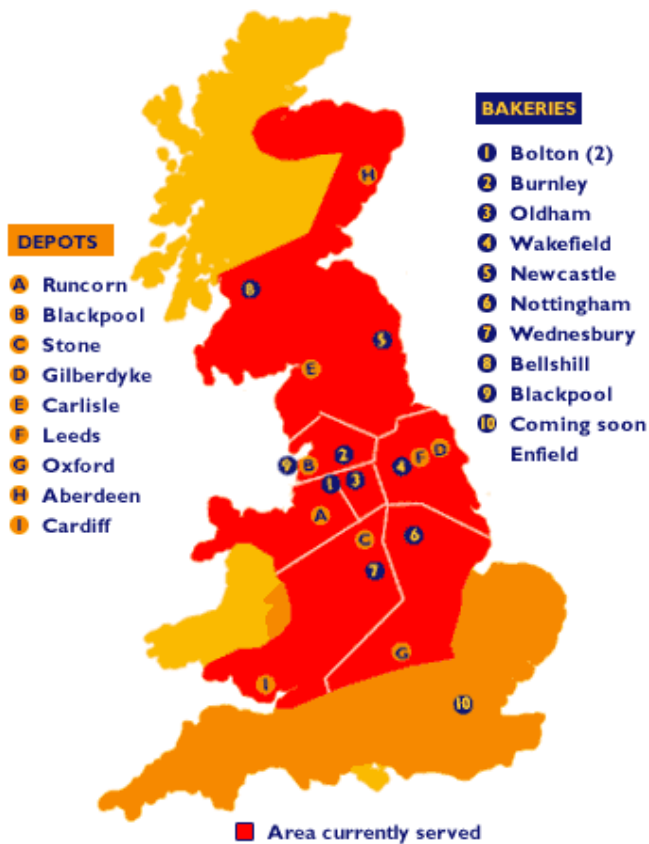
*Telephone: +44(0) 1204 531004
Fax: +44(0) 1204 523361*

War burtons depot are mostly all located close to the War burtons Bakeries. Here is the list of where all the War burtons depots are located:

- *Runcorn*
- *Blackpool*
- *Stone*
- *Gilberdyke*
- *Carlisle*
- *Leeds*
- *Oxford*
- *Aberdeen*
- *Cardiff*

Warburtons location is mainly in the center of England. It has a one bakery and depot in Scotland and has one depot in Wales apart from that it has no other bakeries in Wales and Scotland. So from that you can expect them not to trade in Scotland or Wales. Also Warburtons have no bakeries or depots in the south or east of England so they don't sell there. But Warburtons are in the process of building a new bakery in the London area. Here is a map showing the locations of the bakeries and depots also showing the areas in which Warburtons trade in:

Warburtons Trading Areas



You can contact us at our head office -

Warburtons Limited
Back O'th' Bank House
Hereford Street
Bolton
BL1 8JB
England

Telephone: +44(0)1204 531004
 Facsimile: +44(0)1204 523361

The locations for all of the bakeries are good. They are built by good transport links so it can deliver to most of the U.K. mainland. From how many bakeries and depots Warburtons own they are still able to sell and serve more than 60% of the U.K. mainland. Being in the location that they are in helps it serve the U.K. When the plant in

Enfield is finished it will open them up to sell products in the south east of England something, which they haven't done before. But for Warburtons to fill in its main goal which is "to be Britain favorite baker" it is bakeries and depots in the south, the east, required for them to open up more Scotland and Wales area until it does this it will not be Britain favorite baker and it will not complete there mission statement. The locations of the Warburton bakers help the company and doesn't hinder them.

Warburtons Structure

The Warburtons business consists of many different departments in order for it to be successful. All of these are linked together and require each other to work and make Warburtons a successful company. Here are the main departments, which make Warburtons what it is today:

Marketing- accesses the market place and develops the customer's needs and requirements. Also to promote new products. These are in charge of the adverts, which we see on the television.

Product Development- This department is in charge and involved in developing and improving there products which they sell, whether it aims to improve ingredients of an existing product or create a new one.

Van Sale Driver- This involves delivering orders from the factory where the product is baked to the supermarket shelves and independent stores like cash and carries. This is the crucial part of the working team. If it fails the company will lose their money and a load of bread will go to waste.

Sales Development- This team involves selling there products to the supermarket e.g.) ASDA, Safeway, Tesco etc, and making sure that they close the deal. Also they have to make sure that the bread is on the supermarket shelves on time. This again is a crucial job because they are the ones who sell the bread.

Customer Service- This involves dealing with their customers on a daily basis. This could involve answering telephone calls, which is the most common one, replying to letters or emails. These don't just deal with complaints from customers the customer care unit also deals with question, queries and of course complaints.

Human Resource Officer- This part of the company is involved in dealing with the Warburtons labor work force. The department is involved in interviewing new workers, disciplinary procedures, advisory management, law issues etc.

Operations- This department involves sorting out and organizing the operation and distribution. Warburtons has the largest fleet of delivery vehicles in the country. They involve ensuring that their product arrives at the shop on time and in good sellable condition suitable for selling the product.

Production- This involves each line of producing the perfect range of bread:

- *Bread Plant- producing bread only*
- *Morning Bakeries- teacups, baps, roll etc.*
- *Hot Plate Goods- crumpets, pancakes*

Test Bakeries- new products or improving their existing goods
Dixon's

Shareholders own the Dixon's company. Dixon's is a public Limited Company and is owned by the general public who are shareholders. The number of shareholders vary the minimum number is 2 going up. The Dixon's shares are sold to the general public through the stock exchange or financial newspapers. The shareholders have certain rights because they partly own the company. The shareholders get information on Dixon's through their annual reports and accounts, which they receive to see how they are doing. Shareholders have the right to attend the Dixon's AGM (Annual General Meeting) there they are allowed to vote and speak on how they feel. They also have the right to elect the board of Directors and the Chairman of the Board. This is because these people are going to run the company in which they have money tied up with.

Dixon's liability is the same as War burtons it is limited liability. This is because they are incorporated. To be an incorporated business you have to be either a private limited company or a public limited company. This enables them to become insolvent instead of becoming bankrupt If they lose all of their money and can no longer pay there bills anymore. If Dixon's did have to claim insolvency they would only lose the money in which they have put into the company. This means that shareholders will only lose the value of all of their share holdings. If they wasn't incorporated they would be unincorporated and they would then have unlimited liability and if they cant pay there bills they will become bankrupt and the owners of Dixon's would lose all there money and their personal possessions.

When Dixon's started out a sole trader called Charles Kalms he had a little shop, which specialized in photography, owned it. As the company grew it turned into a Public Limited Company when it was added to the London Stock Exchange in 1962 under the name of Dixon's Photographic Limited. It was turned into a public limited company because it was growing and expanding rapidly.

Dixon's Public Limited Company being owned by shareholder holds many advantages for the Dixon's company. It gives them limited liability and they can be incorporated. If Dixon's lost everything they wouldn't become bankrupt they would become insolvent. They would only become insolvent in they couldn't pay there bills or their workers wages. Only Private Limited Companies and Private Limited Companies can claim insolvency. Sole traders and Partnerships cant they can only claim bankruptcy if you claim bankruptcy you will lose almost everything you own. If you claimed insolvency, you would only lose the money that you had put into your business. So you won't lose any of your personal possessions. Dixon's being a Public Limited Company is good for them because it gives them Limited Liability. The best type of ownership that Dixon's can have is the it currently has and that is it being a Private Limited Company because it is safe for them and they have a limit to their responsibilities.

I think that if Dixon's wasn't a Public Limited Company that the best ownership option for the to have is either Co-operative ownership. I think that this is the best option for them. If it were turned into a Co-operative ownership, its entire workforce would own the Dixon's company. The people who worked for Dixon's company would become members because they would own a tiny percentage of the Dixon's business. Also partnership ownership would work out for the Dixon's company if shareholders didn't own it. It would be owned by up to 20 owners but no less than 2. The only down side to it would be that they wouldn't have limited liability but unlimited liability and they would lose their right to claim insolvency. If they wanted limited liability they could become a Private Limited Company this would be similar to what is happening now. Apart from they would own all of the Dixon's shares and the public wouldn't own any of it.

Dixon's Location

When choosing a location for a new Dixon's shop there are lots of different things to put into consideration to make sure that it is an appropriate location and to make sure that they will make sure they make maximum profit. Here are just a few factors that Dixon's put into consideration before they choose a location for a shop they might wish to open:

- *Access for the customers.*

- *Enough room to build upon.*
- *Enough room for parking facilities.*
- *Cost of lands*
- *Is it located close to any of its rivals?*
- *Is it located to potential workers?*
- *The charge of the potential workers.*
- *Charges from the local government*

Dixon's being a retailer don't require a factory location because they don't make anything. Things get delivered to them. For example they would come from the manufacturer to be sold at there shops. So also another thing to put into consideration is that it has to be close to motorways and other major roads so that it can take deliveries easily.

For Dixon's to be successful they need to dominate the market place. This is why Dixon's have at least one store in almost every town in the UK. Dixon's have stores in the following areas of the UK:

- *Greater London Area (60)*
- *Southern Ireland Area (4)*
- *Northern Ireland Area (4)*
- *Scotland Area (28)*
- *Wales Area (18)*
- *South West Area (19)*
- *South East Area (44)*
- *South Area (21)*
- *West Area (25)*
- *East Anglia Area (23)*

- *East Area (11)*
- *North East Area (28)*
- *North West Area (37)*
- *Midlands Area (46)*
- *Central Area (18)*

In all of this area above in total Dixon's have 386 stores in the UK area. Dixon's rely on customers to make money so it needs to be close to them. Most Dixon's stores are located in shopping centers like Merry Hill. There are also stores located in shopping centers like West Bromwich where shoppers go. Also out of town shopping centers are becoming popular to shop at so they are appearing up there. Most of Dixon's main competitors e.g.) Curry's are owned by Dixon's so if they locate all of their shops in a shopping center they will get 100% of the customers.

Location is important for Dixon's if they spend a lot of money on a new premises and it fails to make money because it is a bad location they will have to move it to make a profit. Dixon's does need to concentrate on conquering Ireland so if it were to build more there supposing it was in the correct location they would make a lot of money because they don't have many stores over their.

Dixon's also owns many other companies, which doesn't trade under its name. The stores, which it owns, which are located in England are companies like:

- *Curry's*
- *Dixon's*
- *Pc world*
- *The link*

These are 4 main companies in which Dixon's owns which trades in the UK but not under its name. The other companies which it owns mainly trades on the continent. The companies, which it owns but exist in Europe, are:

- *Pc city – pc city is located in France, Spain and Italy*
- *Helkjop- helkjop has 133 stores in Europe which are located mainly in places like Denmark, Sweden, Norway and Iceland*

- *Electro world- Electroworld trades in places like Hungary and Romania, it has annual sales of only £4 million a year.*
- *Unieuro- unieuro sells its products in Italy it has 88 stores in Italy and has an annual turnover of £317 million a year*