

Can sole traders survive?

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Introduction:

I am conducting a survey to decide whether or not a sole trader can survive in today's high streets.

Types of ownership:**Sole Trader**

This is a person who starts up their own business with their own money. This is good as you are in charge of all aspects of the business, but you are also liable for all the debt. A sole trader will not have the money to rent the shop as it is just starting up and will not have the capital for it. As a sole trader is liable to all of the debt it is more cautious to buy an expensive premises, as it may lose the business and have to sell their house to pay for it.

Private Limited Company (PLC)

This is good as you are not liable for any debt that the company gets but you are not in charge of the business. They are more expensive to set up, but after it is set up you have much more advantages of being a PLC like the fact that you have unlimited liability. A PLC is an established business and will have the money to buy the shop. If they lose the business they will not have to sell any personal possessions to pay off the debt owed for the loss of the business. This is because they have a limited liability, they only have to pay back what they invested.

Partnership:

This is where two or up to 10 people run the business with a limited liability to debt. This is like two sole traders put together, they have the same details like the unlimited liability to debt except for the fact that there are two or more people running the business. The only difference is the fact that the partners have to agree on the running of the business, so if they disagree then no action can be taken.

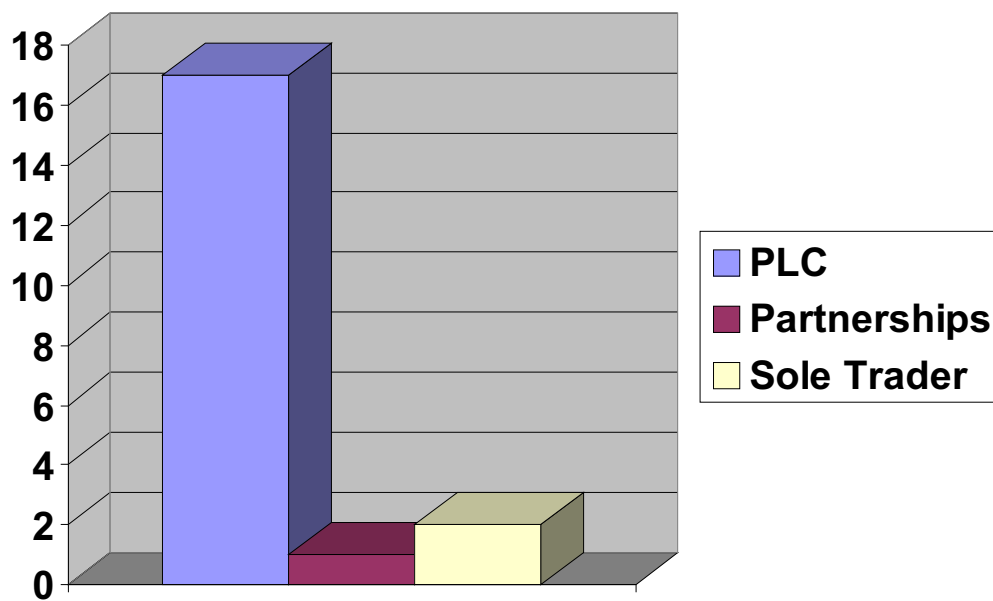
Prediction:

I expect the most popular type will be the PLC, this is because most big businesses do not want to be liable for any debt or

money loss. Therefore they will be more willing to purchase an expensive premises as they do not have to pay as much of it back. I will be conducting my survey in Bexleyheath. This is because it is my local shopping centre and it has a wide range of shops. Bexleyheath has a wide variety of shops such as sports shops, clothes shops and music shops, because of this variation you might expect to find a wide variety of business types. I do not think that this will occur, I think that there will be a lot of PLC's and not many Sole Traders or Partnerships.

The results:

Shop	PLC	Partnership	Sole Trader
Sainsbury's	✓		
Wilkinsons	✓		
What everyone Wants	✓		
JD Sports	✓		
M&S		✓	
McDonalds	✓		
Phones 4 U	✓		
Game	✓		
Argos	✓		
Blue Inc	✓		
Zero Zero			✓
QS	✓		
Woolworths	✓		
Lunn Polly	✓		
Iceland	✓		
Burger King	✓		
Specsavers	✓		
Robert Dyas	✓		
Bells Fish and Chips			✓
Boot Opticians	✓		



Analysis:

My results show that the most popular shop was a plc. This is because they have the money and resources to rent or buy the shops. There were only two sole traders. This could be due to the fact that they do not have the money to rent or buy the shop. As sole traders only have a small amount of capital they will not be able to afford a shop in Bexleyheath, which is a prime location. PLC's on the other hand have a lot of money so they will be able to afford the rent or even maybe the money to purchase the shop outright. A partnership would have the same problem as a partnership, it would not have the money to buy the property or

The results are consistent with my prediction. They show that plc was the most popular type of shop and partnership and sole trader were the least. As PLC's have more money they can afford a prime location in Bexleyheath. Partnerships and sole traders do not have this luxury as many are blossoming businesses they do not have the capital to purchase the best location for their shop.

There was only one empty shop, but as this would be an anomaly in my results I decided not to include it. I found out that it was a sole trader and that it had recently gone out of business. The shop is now boarded up and up for sale. The curse of the sole trader must of got to the owner of the business.

Conclusion:

My results are basically what I predicted and expected because I expected that a sole trader wouldn't be able to pay the amount of money needed to rent out a shop in Bexleyheath. I wasn't sure on what would happen with partnerships but mainly I thought there would only be two major types of ownership the main type of ownership I thought would be plcs because they are more likely to be able to afford all the costs, and I also thought partnerships would be able to afford the costs but I thought there would be less of them than plcs.

Based on my survey I don't think a sole trader can survive in Bexleyheath but if they find a place where it is cheaper to rent or buy a shop to run the business I think they can survive. I think that sole traders will be able to survive in a less populated area that bigger businesses would not be as interested in setting up in. a sole trader will have more success in this area as there will be less competition.

Franchising may help a small business become more successful as they already have the name that is known and respected so they will have the customers already. The main company will help to set up the business, so this will help them to get the correct atmosphere and feel to the shop. This way you will still get the same feel of owning your own business, without all of the hassle of setting it up.

I didn't really have that many problems but it was hard to decide on which kind of shop it was. This is because not all PLC's have PLC in their name so it is not as easy to find out. I either had the option of going in and asking the people who work in the shop or I could take a well educated guess at which type of business it is.