

Entrepreneurship Building a Business

Chapter 23 Making Your Business Grow

Section 23.1 Making Your Business Grow

SECTION 23.1 After You Read Answer Key

Self-Check

1. With market development, a business expands its product to reach new locations. A business can open a branch in another community, nationwide, or go international. Product development, by contrast, is the introduction of brand new or improved products to the market.

2. Franchising is like starting your business over again. You must prepare training manuals, write instructions on how to run the business, and make an analysis of the market and your competitors. In addition, the costs of setting up the franchise structure add up. There may be legal, accounting, consulting, and training costs. Also, it may be a long time before a franchise turns a profit. One company in Memphis sold more than 70 franchises but did not show a profit for a year. Waiting three to five years for a profit is not uncommon.

3. One way to enter the global market is through franchising. Another way is to partner with another company in the country in which the entrepreneur wants to do business.

Think

4. Synergistic diversification could be used to acquire a catering business to showcase food in new venues; conglomerate diversification could be used to acquire a hotel.

English Language Arts/Writing

5. Students' ads will vary depending on the business or franchise they choose.