

Entrepreneurship Building a Business

Chapter 23 Making Your Business Grow

Section 23.2 Challenges of Expansion

SECTION 23.2 After You Read Answer Key

Self-Check

1. When you move from an owner-operated business to two or more additional sites, you can become distanced from your customers and employees. Also, you have to decide whether to transfer your present business image to the new location or establish a different image.
2. Growth funding types include selling investment interests in your business to private investors through a private placement memorandum and doing an initial public offering to sell shares of stock on a public exchange.
3. Employee stock option plan (ESOP) is a source of financing in which a company gives its employees the opportunity to buy a portion of the business.

Think

4. Answers will vary but students may suggest that since high tech businesses are innovative, they must innovate better and faster than others, thus contributing to faster-than-average growth.

Mathematics

5. 15%, 10%, 15%, 10%, 15%; the following month's revenues will be \$6,882.57