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Scenario #1:

When Emily starts her clothing business, there will be many considerations she will need to ponder when she begins her venture into the business world. I would recommend that she start small and sew the garments herself. This way, she can attract potential employees, staff, and investors depending on the quality of her products. Once employees start working in her business, she can teach them how to sew akin to her style and will be able to operate more sewing machines.

Emily should build a storefront despite the subsequent costs. This way she can attract more customers and offset the costs of maintaining the storefront. To advertise her products quickly, she will need to open her store in a conspicuous location where people frequent daily. For example, it would be a great idea for her to open her store in a city square. Should she decide to go into online marketing, I believe it would be the best course of action for her to utilize search engine optimization (SEO) so she can target a specific demographic. With such a search engine, she would be able to acquire a pool of willing customers who may appreciate her store products and come back for more.

When Emily begins purchasing equipment needed for her business and starts selling products, she will need to consider the average retail prices for comparable products, the cost of renting retail space, especially in cities, public opinion data, and average hourly wages for a sewing machine operator and a sales associate in a boutique. The average retail price will be a key determinant in what stores people flock to. Naturally, people will flock towards stores that

have the lowest average prices, so she will have to set a price that is lower than most stores, but not so low that she goes into a deficit. The typical price for clothing in the US ranges from \$10-\$50, so I would recommend that she keeps the price somewhere in the \$10-\$20 range. As for the cost of renting retail space, she would have to consider where people frequent and if it is worth the cost. Depending on the number of people who pass through the rental space she will occupy, it may help attract people towards her store.

The next factor Emily will need to consider will be public opinion data. In this case, she will need to figure out retention rates of customers and if customers will make her business their preferred shopping destination depending on business practices, production methods, and her treatment of her employees. Any revelations about abusive business practices and subpar treatment of her employees would cause her to not only lose customers, but also enable investors to pull out to prevent their public image from being tainted by being associated with abusive entrepreneurs. Therefore, she will have to keep that in mind while considering ways to increase profits and expedite production. Regarding her employees, she will need to ponder the effects of hourly wages on her employees. Naturally, people will be seeking employment in businesses with the highest starting salaries, so she will have to pay a wage that will attract such employees. A way she can ascertain the prices of a sewing machine operator and a sales associate is to access business websites that list the hourly wages of both jobs. Since the average wage in North Carolina is \$15, she will have to adjust her prices for her garments and monitor her expenses.

Scenario #2:

A developing country is defined as an agricultural nation seeking to become an industrial nation. However, the exact criterion of a developing country is fluid, and it is not agreed on just what countries constitute this category. John's employer is a large-scale textile production giant.

The United Arab Emirates is the best candidate for John's business to set up shop, as it has a politically stable government, is safe, and it has a stable workforce and the infrastructure needed to maintain a business presence. His concerns that his business may cause other competitors to close is primarily based on fear, however. There are thousands of small businesses operating in the UAE, and many of them are textile-based with suppliers. Therefore, the loss for the competitors would not only be negligible, but it would encourage more competition.

Regarding the benefits John's company would bring, it would not only be able to generate revenue for the local economy and communities, but it can also provide variety to the area. By being exposed to textiles from various parts of the world, many customers may choose to flock to his company more often for his products. In addition, a competitive business environment may lead to more productivity and even more refined products, as many companies would be focused on gaining an edge over their competitors. However, it can also bring harmful effects on the local community and business. The business may face lower profits and lower customer turnout as they would be selling many of the same products as their customers.

If John's business does end up displacing half of the local competition, his profit would be able to make up for potential losses while adding to the community, but ethically it would be a terrible move counting in the number of lost jobs and opportunities that would inevitably arise. The business would also have to deal with laws regulating foreign businesses in the UAE and other matters, such as waste disposal. A few ways to remedy the roadblocks is for the business to offer those displaced by their move to come and work in the business, potentially offering higher wages compared to their competitors. This would benefit both parties as the business could use the expertise of those former employees while ensuring that those former employees still have a job. This, of course, is all written under the assumption that the local people would not resent a

foreign company moving into their area. In this case, if the people decide to work with the company, then the company may rake in revenue due to the willingness of the people to shop and work in John's corporation.

References:

Content from E-book chapters 2, 5, 10, 11, 12

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