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* Write generic examples of each commercial organization like Google, Facebbok,etc. Explain Briefly?

1. Sole Trader

Local Shop, Plumber

1. Partnership

Doctors, Lawyers, Accountants

1. Limited Company

Private or Public

What are generic strategies explain briefly?

A generic strategy is a general way of positioning a firm within an industry. Focusing on one generic strategy allows executives to concentrate on the core elements of firms' business-level strategies and avoid competing in the markets better served by other generic strategies.

## Why Examine Generic Strategies?

Business-level strategy addresses the question of how a firm will compete in a particular industry (Table 6.1). This seems to be a simple question on the surface, but it is actually quite complex. The reason is that there are a great many possible answers to the question. Consider, for example, the restaurants in your town or city. Chances are that you live fairly close to some combination of McDonald’s, Subway, Chili’s, Applebee’s, Panera Bread Company, dozens of other national brands, and a variety of locally based eateries that have just one location. Each of these restaurants competes using a business model that is at least somewhat unique. When an executive in the restaurant industry analyses her company and her rivals, she needs to avoid getting distracted by all the nuances of different firm’s business-level strategies and losing sight of the big picture.

The solution is to think about business-level strategy in terms of generic strategies. A generic business-level strategy is a general way of positioning a firm within an industry. Focusing on generic strategies allows executives to concentrate on the core elements of firms’ business-level strategies. The most popular set of generic strategies is based on the work of Professor Michael Porter of the Harvard Business School and subsequent researchers that have built on Porter’s initial ideas (Porter, 1980; Williamson & Zeng, 2009).

According to Porter, two competitive dimensions are the keys to business-level strategy. The first dimension is a firm’s source of competitive advantage. This dimension involves whether a firm tries to gain an edge on rivals by keeping costs down or by offering something unique in the market. The second dimension is a firms’ scope of operations. This dimension involves whether a firm tries to target customers in general or whether it seeks to attract just a narrow segment of customers. Four generic business-level strategies emerge from these decisions: (1) broad cost leadership, (2) broad differentiation, (3) focused cost leadership, and (4) focused differentiation. In rare cases, firms are able to offer both low prices and unique features that customers find desirable. These firms are following a best-cost strategy. Firms that are not able to offer low prices or appealing unique features are referred to as “stuck in the middle.”

Understanding the differences that underlie generic strategies is important because different generic strategies offer different value propositions to customers. A firm focusing on cost leadership will have a different value chain configuration than a firm whose strategy focuses on differentiation. For example, marketing and sales for a differentiation strategy often requires extensive effort while some firms that follow cost leadership such as Waffle House are successful with limited marketing efforts. This chapter presents each generic strategy and the “recipe” generally associated with success when using that strategy. When firms follow these recipes, the result can be a strategy that leads to superior performance. But when firms fail to follow logical actions associated with each strategy, the result may be a value proposition configuration that is expensive to implement and that does not satisfy enough customers to be viable.

## **Limitations of Generic Strategies**

Examining business-level strategy in terms of generic strategies has limitations. Firms that follow a particular generic strategy tend to share certain features. For example, one way that cost leaders generally keep costs low is by not spending much on advertising. Not every cost leader, however, follows this path. While cost leaders such as Waffle House spend very little on advertising, Walmart spends considerable money on print and television advertising despite following a cost leadership strategy. Thus a firm may not match every characteristic that its generic strategy entails. Indeed, depending on the nature of a firm’s industry, tweaking the recipe of a generic strategy may be essential to cooking up success.

## Overview: What is a partnership?

A partnership is a business shared by multiple owners. It's not a legal business entity, and it doesn't have to be registered with the state. Basically, if you decide to [go into business](https://www.fool.com/the-blueprint/how-to-work-for-yourself/) with another person without filing any state paperwork, you're automatically in a partnership.

Some types of partnerships are legal business entities registered with the state. These entities may provide limited liability protection to shield your personal assets.

### **How are partnerships different from other business entities?**

A partnership, like a sole proprietorship, is legally and financially inseparable from its owners. Profits and losses may be passed through to the owners' personal income for tax purposes. Debts and liabilities pass through as well.

Partnerships are generally easier and less costly to create than corporations.

All partnerships provide the advantage of pass-through taxation, which generally results in lower taxes than other [business structures](https://www.fool.com/the-blueprint/types-of-business-ownership/) such as corporations.

## Types of partnerships

These are the four types of partnerships.

### **1. General partnership**

A general partnership is the most basic form of partnership. It does not require forming a business entity with the state. In most cases, partners form their business by signing a partnership agreement.

Ownership and profits are usually split evenly among the partners, although they may establish different terms in the partnership agreement.

In a general partnership, all partners have independent power to bind the business to contracts and loans. Each partner also has total liability, meaning they are personally responsible for all of the business's debts and legal obligations.

That's a lot of power *and* a lot of mutual responsibility. For example, say a general partnership has three partners. One of the partners takes out a loan that the business cannot repay. All partners may now be personally liable for the debt.

General partnerships are easy to form and dissolve. In most cases, the partnership dissolves automatically if any partner dies or goes bankrupt.

### **2. Limited partnership**

Limited partnerships (LPs) are formal business entities authorized by the state. They have at least one general partner who is fully responsible for the business and one or more limited partners who provide money but do not actively manage the business.

Limited partners invest in the business for financial returns and are not responsible for its debts and liabilities.

This silent partner limited liability means limited partners can share in the profits, but they cannot lose more than they've invested. In some states, limited partners may not qualify for pass-through taxation.

If they begin actively managing the business, they may lose their status as a limited partner, along with its protections.

Some LPs appoint a limited liability company (LLC) as the general partner so no one has to bear unlimited personal liability for the business. That option may not be available in all states, and it's much more complicated than an LP.

### **3. Limited liability partnership**

A limited liability partnership (LLP) operates like a general partnership, with all partners actively managing the business, but it limits their liability for one another's actions.

The partners still bear full responsibility for the debts and legal liabilities of the business, but they're not responsible for errors and omissions of their fellow partners.

LLPs are not permitted in all states and are often limited to certain professions such as doctors, lawyers, and accountants.

### **4. Limited liability limited partnership**

A limited liability limited partnership (LLLP) is a newer type of partnership available in some states. It operates like an LP, with at least one general partner who manages the business, but the LLLP limits the general partner's liability so all partners have liability protection.

LLLPs are currently authorized in Alabama, Arizona, Arkansas, Colorado, Delaware, Florida, Georgia, Hawaii, Idaho, Illinois, Iowa, Kentucky, Maryland, Minnesota, Missouri, Montana, Nevada, North Carolina, North Dakota, Oklahoma, Pennsylvania, South Dakota, Texas, Virginia, Washington, and Wyoming.

California doesn't authorize LLLPs, but it will recognize LLLPs formed in other states.

Because they aren't recognized in all states, LLLPs are not a good choice if your business works in multiple states. In addition, their liability protections haven't been tested thoroughly in the courts.

## How to legally form a partnership

When forming a partnership, follow these steps.

### **Step 1: Choose a structure**

The first step is to find the best partnership for your situation through these steps:

• **Research permitted partnerships:** Check your secretary of state’s website to determine the types of partnerships available in your state and which ones are permitted for your business type.

• **Discuss your vision and goals:** What do you expect to contribute to the business, and what do you want to get out of it? Are you looking for steady income, a tax shelter, or the chance to pursue a dream? Do you have spouses or family members who might play a role in the business? How will you handle structuring money and partnership accounting?

• **Choose a structure:** Based on all of those factors, choose the structure that best fits your business. This is a good time to consult your attorney and a tax advisor.

### **Step 2: Draft a partnership agreement**

While partnerships have been founded on a handshake, most are created with a formal partnership agreement.

A partnership agreement is like a corporation's articles of incorporation. It establishes how your business will be run, how profits and losses will be shared, and how you'll manage changes such as the departure or death of a partner.

Your partnership agreement should be signed by all parties and [kept on file](https://www.fool.com/the-blueprint/documentation-retention/) permanently.

Your agreement should cover the following items:

• Who are the partners and what is their contact information?

• How will ownership be divided among the partners?

• Who will manage the business? Will more than one partner share the responsibility?

• Do you have limited partners? If so, what will they contribute?

• How will disputes be resolved? Will one manager have a final say? What happens if you have an irreconcilable difference?

• What process will you follow if a partner decides to leave? How will that person's financial stake in the business be valued and resolved?

• How will profits and losses be distributed? On a set schedule? At the partners' discretion?

• Will family members participate in the partnership? Will they have any special powers, privileges, or limitations?

[SCORE](https://core.score.org/resources/partnership-agreement-50-questions-answer) provides excellent resources for drafting your partnership agreement, including mentors to help you through the process.

### **Step 3: Name your business**

Before filling out any state paperwork, you need to find an available, permissible name through these steps:

• **Consult partner name regulations:** Each state has its own rules for including partner names in your business name, and they can be very particular. For example, in Massachusetts, the name of an LP "may not contain the name of a limited partner unless it is also the name of a general partner or the corporate name of a corporate general partner or the business has been carried on under that name before the admission of the limited partner." Comb through the fine print to make sure you're following your state's rules.

• **Check corporate designator rules:** States have unique requirements for including corporate designators -- words or suffixes such as "LP" that reflect your business type -- in your business name. This is to ensure that people dealing with you can readily understand the nature of your business. In Massachusetts, for example, LPs must spell out the words "limited partnership" in their names. In other states, you may be able to use "LP" instead.

• **Check availability:** Once you have a street-legal name, you need to make sure it's not already taken. Most secretary of state websites include an online search feature that will give you an answer immediately.

### **Step 4: Register your partnership**

If you're forming an LP, LLP, or LLLP, you must register your business with the state through these steps:

• **Choose a home state:** If your business is dispersed among multiple states, you will need to choose a state of formation. Generally, the state where you conduct the bulk of your business is the best state for this.

• **Check licensing requirements:** Determine what [licenses](https://www.fool.com/the-blueprint/how-to-get-a-business-license/) you will need to conduct your business and apply for them as required.

• **Apply:** Complete the relevant certificate of partnership for your chosen structure and submit it to your secretary of state or corporations division. The application generally includes the names and contact information for all partners, their roles, the purpose of the business, and an expiration date for the partnership.

• **Appoint a registered agent:** You must name someone who is available in a physical office location during business hours to accept delivery of notices of lawsuits (service of process) and other [business documents](https://www.fool.com/the-blueprint/business-documents/). There are professional services you can use to manage this for you.

• **Submit your application:** Submit the prescribed number of copies (usually two) of your certificate with the required fee to the secretary of state or corporations bureau. You can usually submit your application online.

• **Keep your documents:** Once your application is approved, store the documents in your permanent [business archive](https://www.fool.com/the-blueprint/document-management-system/).

### **Step 5: Submit annual reports**

If your partnership is registered as an LP, LLP, or LLLP, you'll likely need to submit annual reports to keep the secretary of state up to date on basic information about your business. In most states, these are due annually or biennially with a fee based on your entity type.

## What Is a Public Limited Company (PLC)?

A public limited company (PLC) is a public company in the United Kingdom. PLC is the equivalent of a U.S. publicly traded company that carries the Inc. or corporation designation. The use of the PLC abbreviation after the name of a company is mandatory and communicates to investors and to anyone dealing with the company that it is a publicly traded corporation.

### **KEY TAKEAWAYS**

* PLC, or public limited company, is the U.K. equivalent of the U.S. corporation or Inc.
* All of the companies listed on the London Stock Exchange are PLCs.
* The formal names of some familiar U.K. brands like Burberry and Shell include the suffix PLC.

## How a Public Limited Company (PLC) Works

A PLC designates a company that has offered shares of stock to the general public. The buyers of those shares have limited liability. Meaning, they cannot be held responsible for any business losses in excess of the amount they paid for the shares.

In the U.K., a PLC operates along similar lines as a public corporation in the U.S. Its operations are regulated and it is are required to publish periodic reports to shareholders and prospective shareholders on its true financial health.

## Requirements for a PLC

U.K. company law says that a PLC must have the PLC designation after the company name and minimum share capital of £50,000. Like a publicly traded company in the U.S., PLCs offer various types of shares, such as ordinary and cumulative preference shares. Ordinary shares of a PLC are similar to common stock issued by U.S. corporations.1

Cumulative preference shares are akin to preferred stock in the U.S. Other key requirements for a PLC include offering shares, appointing directors, and adhering to registration requirements. The PLC must also have PLC or public limited company as part of the name.

## Advantages and Disadvantages of a PLC

The biggest advantage of forming a public limited company (PLC) is that it grants the ability to raise capital by issuing public shares. A listing on a public stock exchange attracts interest from hedge funds, mutual funds, and professional traders as well as individual investors. That tends to lead to increased access to capital for investment in the company than a private limited company can amass.

On the other hand, there's much more regulation for a PLC in the U.K., as there is for a public corporation in the U.S. They are required to hold annual general meetings open to all shareholders and are held to higher standards of transparency in accounting. Because they’re public, they’re also vulnerable to pressure from shareholders and takeover bids from rivals.

By becoming a PLC, the company is given greater access to capital, and shareholders are offered liquidity. These are similar benefits of a company in the U.S. going public. On the downside, becoming a PLC means more scrutiny and required reporting. The company will have more shareholders and the value of the company could become more volatile as it is determined by the financial markets

## Public Limited Company (PLC) vs. Private Limited Company (LTD)

A PLC is a public company in the U.K. Meanwhile, there are private limited companies (LTDs), which are private companies in the U.K. Shares of a private limited company are not offered to the general public.

Private companies are still incorporated, generally with the Companies House. These companies are still required to have legal documents to form the business. Private companies must have at least one director.

To raise capital via a public investment in the U.K. the company must be a PLC. PLCs are like LTDs, except they are publicly traded, with shares that can be freely sold and traded on a stock exchange. Meanwhile, PLCs must have at least two directors and hold annual shareholder meetings.

## Examples of PLCs

All of the companies listed on the [London Stock Exchange](https://www.investopedia.com/terms/l/lse.asp) are, by definition, PLCs. The fashion retailer Burberry is Burberry Group PLC. Automaker Rolls-Royce is Rolls-Royce Holdings PLC. The 100 largest PLCs on the London Stock Exchange are grouped together in an index called the Financial Times Stock Exchange 100 (FTSE 100) or, colloquially, the Footsie.

The companies in this group are representative of the United Kingdom's economy as a whole. The Footsie is comparable to the Dow Jones Industrial Average (DJIA) in the U.S. The biggest PLCs by market capitalization in the Footsie, as of March 2021, included Unilever, HSBC, and AstraZeneca.

Royal Dutch Shell, HSBC Holdings, BP, GlaxoSmithKline, and British American Tobacco. The formal names of all of these companies include the PLC designation. Not all PLCs are listed on a stock exchange. A company may choose not to list on an exchange or may not meet the requirements for listing.

## Public Limited Company (PLC) FAQs

### **What Does It Mean to Be a Public Limited Company (PLC)?**

A PLC is a publicly traded company in the U.K. These companies must have PLC or the words "public limited company" after its name. For example, the oil and gas company, BP plc, is a U.K. publicly traded company that's headquartered in London, England.

### **Who Is a Public Limited Company Owned By?**

Like publicly traded companies headquartered in the U.S., PLCs are owned by shareholders. These companies are traded on exchanges and shares where shares can be openly bought or sold by individuals, companies, mutual funds, etc.

### **What Are the Main Features of a PLC?**

The key feature of a PLC is that it's based in the U.K. and be publicly traded. The company must also have the PLC or "public limited company" designation after its name.

### **What Is the Difference Between a Public and Private Limited Company?**

A PLC is a publicly traded company, while a private limited company is also a U.K. company, except it is private. There are other notable differences between the two, such as the fact that a private limited company only has to have one director, while a PLC must have two.