**ASSIGNMENT NO 1**

**20K-0368 Hammad Shakeel**

**Question NO 1 :**

In the case of four recent graduates acquiring a franchise of Intuit global in Pakistan and registering it as a Sole Proprietorship company, let's explain why this decision might not be wise based on the scenario provided:

1**. Limited Liability and Risk:**

In a Sole Proprietorship, Mr. Ahmed, as the sole proprietor, has unlimited personal liability for the business's debts and legal obligations. This means that his personal assets, including his family home, are at risk if the business faces financial challenges or lawsuits. This situation exposes Mr. Ahmed and his personal assets to significant risk, which could have been mitigated through alternative business structures like a Limited Liability Company (LLC) or a Corporation.

2. **Limited Perspective and Control:**

While Mr. Ahmed is a proven technology expert and has hands-on experience, his reluctance to embrace diversity and differing viewpoints could limit the business's innovation and adaptability. In a Sole Proprietorship, all decisions and responsibilities typically rest with one individual, which may result in a lack of diverse perspectives and innovative ideas.

3. **Scalability Challenges:**

The business has ambitious plans to scale to 200 employees in the next year. Sole Proprietorships are generally not designed for large-scale operations and may struggle to accommodate such rapid growth. Alternative business structures offer more flexibility and scalability for expansion.

4. **Risk of Burnout:**

Mr. Ahmed's perfectionist approach and the desire to be involved in every aspect of the business may lead to burnout and hinder the organization's ability to manage a growing team effectively. Delegating responsibilities and fostering diversity could be more sustainable in the long run.

Considering the risks associated with unlimited personal liability, limited perspectives, scalability challenges, and the potential for burnout, it may not be wise to form the business as a Sole Proprietorship. Alternative business structures, such as an LLC or Corporation, could provide greater protection, scalability, and a broader range of expertise and viewpoints, which might be more beneficial for the long-term success of the Intuit franchise in Pakistan.

Reference Line from the slides : "A sole trader is personally liable for all the debts of the business so that all the trader’s assets, including the family home, are at risk if the business fails. For this reason, anyone who is in business, other than a very small one, should not operate as a sole trader. It is usually better to form a limited company."

**Question no 2:**

Mr. Ahmed's initial decision to register the organization as a Sole Proprietorship and his resistance to diversity indicated his preference for sole control and a limited range of perspectives within the company. However, as he considers hiring his first employee, this new addition will significantly impact his choice-of-entity concerns in several ways:

1. **Change in Business Structure:** The addition of an employee necessitates a shift in the business structure. Sole Proprietorships are designed for single owners without employees. Hiring an employee typically leads to the need for a different business structure, such as a Partnership, Limited Liability Company (LLC), or Corporation, to accommodate the growth and legal requirements associated with employees.

2. **Liability Implication**s: In a Sole Proprietorship, Mr. Ahmed is personally liable for the business's debts and legal obligations. With the addition of an employee, potential liabilities may increase. Transitioning to a different business structure can help limit personal liability.

3**. Decision-Making Dynamics:** Mr. Ahmed's control and decision-making authority may need to be shared or delegated to the new employee. Different business structures come with varying governance models, and Mr. Ahmed will need to consider how decision-making responsibilities will be distributed.

4. **Legal and Taxation Considerations**: The choice of business entity affects taxation, legal obligations, and reporting requirements. As Mr. Ahmed expands the team, he must evaluate the most suitable legal structure that aligns with his long-term goals and tax implications.

5. **Scaling and Future Growth**: Sole Proprietorships are generally not designed for rapid scaling and large teams. Mr. Ahmed's plan to scale the team to 200 employees next year requires a more scalable business structure that can accommodate growth efficiently.

Given these considerations, Mr. Ahmed should reassess his choice of business entity and explore options that are better suited to accommodate his expanding team and future growth objectives. Transitioning to a more flexible and scalable structure, such as an LLC or Corporation, may align better with the evolving needs of his business.

**Question no 3.**

In the given scenario where Intuit Pakistan is registered as a Sole Proprietorship, the concept of an "exit plan" doesn't directly apply, as a Sole Proprietorship typically doesn't involve multiple partners. Instead, it's owned and operated by a single individual, Mr. Ahmed in this case.

However, if Intuit Pakistan were registered as a partnership firm with multiple partners, an exit plan would be crucial for addressing various situations, such as a partner wanting to leave the business. Some needs and considerations for having exit plans in partnerships include:

**1. Transition** of Ownership: An exit plan outlines the process by which a partner can sell or transfer their ownership stake to another partner or a third party. This ensures a smooth transition of ownership and minimizes disruption to the business.

2. **Valuation of the Business**: The plan should establish a mechanism for valuing the business when a partner exits. This helps determine the fair value of the partner's share and avoids disputes over the valuation.

3. **Buy-Sell Agreements**: Buy-sell agreements or buyout clauses can be included in the partnership agreement to specify how the remaining partners will buy out the exiting partner's share. This ensures that ownership remains within the partnership or is offered to other partners before external parties.

4. **Financial Arrangements**: The plan should address the financial arrangements, including how the exiting partner will be compensated for their share of the business. This could involve lump-sum payments, installment payments, or other agreed-upon terms.

5. **Non-Compete and Confidentiality Clauses**: Exit plans often include non-compete and confidentiality clauses to prevent the departing partner from competing with the business or disclosing sensitive information.

6. **Dispute Resolution**: The plan should outline a dispute resolution mechanism in case the partners cannot agree on the terms of the exit. This could involve mediation or arbitration.

7. **Tax Implications**: Exit plans should consider the tax implications of the exit for both the departing partner and the business. Proper tax planning can help minimize tax liabilities.

8. **Continuity of Operations**: Ensuring the continuity of business operations during and after the exit is essential. The plan should address how the departure of a partner will impact daily operations and how roles and responsibilities will be reassigned.

While the given scenario involves a Sole Proprietorship, in a partnership, an exit plan is crucial for addressing the departure of a partner and ensuring a smooth transition while protecting the interests of both the departing partner and the business.

**Question No 4 :**

The Paper "Culture at Google" offers insights into the importance of open communication, diverse viewpoints, and a healthy work culture within a company, which can be related to Mr. Ahmed's case in Intuit Pakistan. Here's how Mr. Ahmed's approach of not welcoming arguments from his team members can impact the working environment of his company:

**Reduced Innovation and Creativity**: In the Paper "Culture at Google", it is mentioned that a positive workplace culture encourages employees to express their ideas openly. When Mr. Ahmed does not welcome arguments or diverse perspectives, it can hinder innovation and creativity within his company. Diverse viewpoints often lead to fresh ideas and novel solutions.

**Low Employee Morale**: Paper highlights that employees who are satisfied with their company's work culture are less likely to seek new opportunities elsewhere. Conversely, those dissatisfied with the work culture are more likely to leave. By not welcoming arguments, Mr. Ahmed may contribute to low employee morale, which can lead to higher turnover rates.

**Missed Opportunities for Improvement**: In Paper "Culture at Google", it is mentioned that a positive work culture can lead to a company's financial success. When Mr. Ahmed does not encourage open communication and debate, his company may miss out on valuable opportunities for improvement, growth, and financial success.

**Negative Company Culture:** Paper suggests that a toxic work environment can arise when open communication and diversity of thought are not encouraged. Employees may become resentful, leading to internal conflicts and a negative company culture.

**Legal Repercussions:** Paper also touches on issues related to employee speech and workplace rights. Mr. Ahmed's reluctance to welcome arguments and diverse viewpoints could potentially lead to legal issues or complaints from employees who feel their rights to express their opinions are being stifled.

**Question no 5:**

Scaling up a company from 25 personnel to 200 employees is a significant expansion, and it can indeed affect Mr. Ahmed's roles, responsibilities, and workload

1. As the company grows, there will be an increase in administrative tasks related to hiring, onboarding, payroll, and compliance.

2. To effectively manage a larger team, Mr. Ahmed will likely need to delegate some of his responsibilities.

3. With a larger team, Mr. Ahmed's leadership and decision-making responsibilities will expand.

Scaling up is possible, it will require adjustments and a more inclusive approach to leadership. Mr. Ahmed should be prepared to adapt his roles and responsibilities to meet the demands of a larger organization while fostering a positive and diverse working environment.

**Question no 6:**

1. A diverse team brings together individuals with different backgrounds, experiences, and perspectives. This diversity in thought can lead to more creative problem-solving.

2. In Intuit Pakistan, where critical decisions about IT projects and operational excellence are made, diversity can lead to better-informed and well-rounded decisions.

3. Pakistan is a diverse country with a wide range of cultural, social, and economic backgrounds. Having a diverse workforce can help Intuit Pakistan better understand and connect with its customer base.

**Question no 7:**

The importance of values in the employer-employee relationship and workplace culture is evident in the paper "Culture at Google". Here's why values are important for both employees and employers, along with relevant examples

**For Employees:**

1. When employees share the same values as their employer, they are more likely to feel a sense of purpose and alignment in their work. For example, in Google's case, the phrase "Don't Be Evil" became a central feature of the company's culture. Employees who resonated with this value likely felt a sense of moral responsibility in the workplace, which could enhance their job satisfaction.

2. Values can create an inclusive and respectful work environment. When companies prioritize values like diversity and inclusion, it can lead to a workplace where employees from various backgrounds feel valued and respected. For instance, Google's focus on diversity and inclusion was driven by its mission to develop products that resonated with a broad population, emphasizing the importance of inclusivity in the workplace.

3. Values can empower employees to express their views and concerns. In the text, there were instances of employees expressing their opinions on political and diversity-related issues. When employees know that their company values open communication and transparency, they are more likely to speak up and contribute positively to discussions.

**For Employers:**

1. Companies with clear values that align with their employees' values are more likely to attract and retain top talent. In the case of Google, it was recognized as one of the "100 Best Companies to Work For" partly due to its positive and inclusive work culture. This reputation helped Google in attracting and retaining high-quality employees.

2. Values play a crucial role in shaping the workplace culture. When companies uphold values such as diversity, respect, and transparency, it can lead to a positive and inclusive culture. Google's "Don't Be Evil" value contributed to the creation of a positive and inclusive work culture that extended beyond employee satisfaction to financial success.

3. Values also have legal and ethical implications. In Google's case, the company faced legal repercussions related to gender pay discrimination and other issues. Upholding values such as fairness, equality, and ethical behavior is not just a moral responsibility but can also protect companies from legal challenges and reputational damage.

**Question no 8:**

There are several violations in Mr. Ahmed's conduct:

1. Professional Competence and Integrity: Mr. Ahmed's refusal to welcome arguments from his team members and his belief that diversity leads to unnecessary challenges and arguments may be seen as a violation of professional competence and integrity. The BCS Code of Conduct emphasizes the importance of respecting alternative viewpoints and seeking, accepting, and offering honest criticisms of work. By dismissing input from team members based on their diversity, Mr. Ahmed is not upholding these principles.

Below is the explanation from the slides:

a. NOT claim any level of competence that you do not possess."

b. Respect and value alternative viewpoints and, seek, accept and offer honest criticisms of work.

2. **Duty to the Profession**: Mr. Ahmed's behavior, which includes not valuing diversity and creating a working environment where dissenting opinions are not welcomed, could be seen as detrimental to the reputation of the IT profession. The BCS Code of Conduct expects professionals to maintain the reputation of the profession and to act with integrity and respect in professional relationships.

Below is the explanation from the slides:

a) Accept your personal duty to maintain the reputation of the profession and not take any action, which could bring the profession into disrepute.

d) Act with integrity and respect in your professional relationships with all members of BCS and with members of other professions with whom you work in a professional capacity.

To align Mr. Ahmed's behavior with the BCS Code of Conduct, it is suggested that he adapt the following behaviors:

Embrace Diversity: Mr. Ahmed should recognize the value of diversity in his team. Diverse perspectives can lead to better decision-making, innovation, and problem-solving. By actively encouraging diversity and inclusion, he can create a more vibrant and effective team.

This suggestion aligns with the principle from the BCS Code of Conduct under "The Public Interest":

"conduct your professional activities without discrimination on the grounds of gender, marital status, nationality, color, race, ethnic origin, religion, age, or disability, or of any other condition or requirement"

Promote Respectful Communication: Instead of viewing arguments or challenges as unnecessary, Mr. Ahmed should encourage respectful and constructive communication within his team. This can lead to better collaboration and ultimately improved project outcomes.

"Respect and value alternative viewpoints and seek, accept, and offer honest criticisms of work."

Continuous Professional Development: Mr. Ahmed should commit to continuous learning and professional development, as outlined in the BCS Code of Conduct. Staying updated on technological developments, procedures, and standards will enhance his professional competence.

This suggestion aligns with the principles under "Professional Competence and Integrity":

"Develop your professional knowledge, skills, and competence on a continuing basis, maintaining awareness of technological developments, procedures, and standards that are relevant to your field."