**FROM ROSHONDA THOMAS**

**1.     Advise Shania on which of the business forms under consideration best accomplishes her business goals. Thoroughly explain the reasons for your recommendation.**

Shania is a strong dedicated Christian and she is hopeful about opening up a Christian Coffeehouse near the Denver, Colorado. This case demonstrates that her husband, Marvin is not involved in ventures or the running of the coffeehouse. Marvin is more interested in making investments for the company. So, a limited partnership would achieve Mrs. Jackson’s business objectives.According to Pacific Basin Law Journal, “The limited partnership must have at least one general partner but may have more than one. It must also have at least one limited partner. Limited partners are the other type of partners in a limited partnership. Conceptually, limited partners are passive investors with little or no control of the partnership or no authority to bind the partnership.” (Wu & Thomas, 2007) Shania’s husband, Marvin, is open only to contribute to the investment area for the business.

**2.     Advise Shania on whether her company should become a franchise or should open as an independent coffeehouse. Explain your recommendation.**

Based on the knowledge in the case study, this is Mrs. Jackson’s first business. Therefore, I believe Mrs. Jackson should take on the independent route. Shania will have to open an independent coffeehouse. At least in the beginning, Shania should open independently. According to an article about franchising in Science Direct, “The other problem is strict rules, it means franchisees have an own business, but it governed by franchisor. Franchisor gives a long list of guidelines to the franchisees and franchisees must follow these rules. Franchisees have to serve the same service to the customers and use same materials and equipments.” (Salar&Salar, 2014) She presents a unique title and theme for her business. She has few people ready and willing to work for her at the coffeehouse such as her sister, Kelsey. She also has her neighbor, Carlos, who is willing to help. If she decided to franchise her company, she would be responsible for the franchisor’s business model.  She would be responsible for the franchisor’s successes and failures.  She will most likely have to pay for additional start-up costs, fees, and promotion charges. She also will be restricted in the judgments concerning the small business. If Shania shall open her own business, she can freely construct and design her building layout, menu, and business location as to her liking. She can also develop her own specialty beverages. Patrick Gleeson states in an article that “A franchise business is a business owned by an entrepreneur or an entrepreneurial group, offering a product or service labeled by a corporation that provides assistance in every aspect of the business, in return for a combination of a flat fee, plus fees based on profits or sales.” (Gleeson, 2019) Consequently, opening a franchise would enable Shania to implement the franchise name, corporate identity, and provide training to anyone that is part of the industry.  Independent businesses are typically more expensive and time consuming to construct from nothing versus the preliminary investment cost of permitting a franchise. Being said, independent business owners will not be accountable for franchise and royalty costs, and they will have complete control over exactly when and how they will spend in the business. If things are effective, the independent business can become successful enough for them to franchise itself.

**3.     Perform a corporate name search at this website to determine if the name Shania is considering is available for use in the State of Colorado. Also assess whether the name is available as a trademark. Even if the name is available, advise Shania on whether it is a good choice. Explain why or why not.**

After searching on the State of Colorado’s records catalogue, I could establish that “Java Lava Hideout,” available to use in the State of Colorado.  “Java Lava Hideout,” is also open to trademark. I want Shania to select a name that is concise and try to avoid cafe names that are hard for the average person to speak or spell. According to Delishably, “choosing a name that is both unique and catchy is an important part of the business-planning process. You want a passerby to actually walk in, and a good name can make this happen.” (Tatiana, 2018) I want customers who can remember rather than settle into the nearest chain coffee shop.

**4.     Advise Shania on which of the interested persons she should include in her business, why, and in what role(s). If she chooses not to take in a particular party, what reasons should she give each person, if any? Your analysis must include biblical perspectives, such as biblical considerations of marriage and of business relationships with non-believers.**

What sort of workplace Shania hope to create, and what qualities do she value most in her employees? It is especially important to make sure that any possible applicants fit the company. It is important to understand the culture and what exactly she is examining in an applicant. According to Briana Morgaine “If you’re still an early-stage startup, it’s important to be honest with prospective hires about the road ahead. In the beginning, they might end up wearing several hats and going beyond to help you get your business off the ground—so it’s important to determine whether or not your prospective candidate is up for the challenge.” (Morgaine, McBeth, Peters, & Lisa Furgison, 2017) Kelsey, Shania’ sister, is a new Christian that has been looking for a reason to come out of the house. Kelsey’s husband, who is not a Christian, disagree with his wife’s participation anticipates for her to continue to be a stay-at-home mom to their children.  Kelsey’s husband should be supporting no matter what her decisions are in life as a devoted husband and partner. 2 Corinthians 6:14-17 explains the partnership Kelsey and her husband should have with one another. “Do not be unequally yoked with unbelievers. For what partnership has righteousness with lawlessness? Or what fellowship has light with darkness? What accord has Christ with Belial? Or what portion does a believer share with an unbeliever? What agreement has the temple of God with idols? For we are the temple of the living God; as God said, ‘I will make my dwelling among them and walk among them, and I will be their God, and they shall be my people. Therefore go out from their midst, and be separate from them, says the Lord, and touch no unclean thing; then I will welcome you,” If Shania employs Kelsey, she could appoint her to handle the administrative actions of the business. Kelsey’s experience as a stay- at-home mom gives her the advantage to multi-task well.  This would also enable her to work part time from home.

Carlos, Mrs. Jackson’s neighbor, is not a Christian but he has expressed an interest in joining the business to gain additional income.  In employing people, we need to think about their role of the workplace. First, to take a position that will only hire Christians for any job through the organization could also be pushing the limit on which the law permits. The Scripture is clear-cut on our part as believers regarding laws of the land. Mrs. Jackson should think carefully with her selection needs of the organization. 2 John 1:9-11 states that “Everyone who goes on ahead and does not abide in the teaching of Christ, does not have God. Whoever abides in the teaching has both the Father and the Son. If anyone comes to you and does not bring this teaching, do not receive him into your house or give him any greeting, for whoever greets him takes part in his wicked works.”  While this is Christian business, Mrs. Jackson should still consider hiring Carlos to be apart of the business.   I realize that the bible says one must not operate with those that do not believe in Christ, however, Mrs. Jackson must be vigilant to not engage in any illegal prejudice.  Therefore, if Mrs. Jackson hires Carlos to work with consumers, his judgment could come into question many times. A customer may believe he is not making the godliest option address the situation.  It is possible that Carlos will decide to obstruct the coffeehouse business.  Nevertheless, Carlos realizes promise in the company and might bring more talent to the table.  Therefore, Ms. Jackson will have to give Carlos the functions and responsibilities that has restricted relations with the customers and determinations of the business.

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**FROM LAUREN PADILLA**

**Advise Shania on which of the business forms under consideration best accomplishes her business goals. Thoroughly explain the reasons for your recommendation.**At the end of the discussion forum Shania is unsure of which business form would best accomplish her business goals She considers a sole proprietorship, some sort of partnership/corporation, an LLC, or even a joint venture. After reviewing the options, I firmly believe a sole proprietorship would best accommodate her goals. With the other options listed, she must have others who are liable for all aspects of the business which must include genuine dedication and concern for the well-being of the company.

A sole proprietorship is the simplest and most common structure chosen to start a business. It is an unincorporated business owned and run by one individual with no distinction between the business and the owner (sole Proprietorship). If Shania were to make “The Gathering Place” a sole proprietorship, she would be entitled to all profits and responsible for all business’s debts, losses and liabilities (sole Proprietorship). She would be responsible for who she hires, how much employees get paid, and how much her products can be sold for. Since she wants a coffee shop that circulates around Christian themes, if she had her own business, she would be able to instill these values and make sure her employees are comfortable with being associated with her business all while making sure all customers feel respected (Gerdeman).

**Advise Shania on whether her company should become a franchise or should open as an independent coffeehouse. Explain your recommendation.**

When it comes to Shania making her company a franchise or an independent coffeehouse, I believe an independent coffeehouse would be beneficial to her. In order for a company to become a franchise, you first have to make sure your business is successful and that you have a substantial product to market to society. In a business format franchise, the franchisor provides to the franchisee not just its trade name, products and services, but an entire system for operating the business (IFA). Overtime, when Shania can gauge the successfulness of her business, she can then decide if her business will be a successful franchise.

         As an independent coffeehouse, Shania would be able to control all aspects of her business to where her Christan views can be instilled throughout the business to her liking. While Shania would be the owner, she must also consider the stress of running a business and possibly bringing on someone to help her with the managerial aspect of things. While she will have contribution of capital from her husband, Marvin, he stated he wanted no part of participating in it’s operation or management. As we stated in previous discussion boards, you can own a business, but you have to make sure you take your customers’ needs into consideration as there has to be a balance. If Shania is able to find a partner she can trust with managing the operation, her independent coffeehouse has a chance of being successful.

**Perform a corporate name search at this website to determine if the name Shania is considering is available for use in the State of Colorado. Also assess whether the name is available as a trademark. Even if the name is available, advise Shania on whether it is a good choice. Explain why or why not.**

         After using name search for “The Gathering Place” in Colorado, the name was unavailable as another non-profit corporation has claimed it and it hasn’t expired. When considering “The Gathering Place” as a trademark, it is available as past trademarks for this name have expired.  
  
         While the name is available as a trademark but not available for use in the State of Colorado, I think a different name for Shania’s coffee shop will be beneficial. Personally, I don’t think the name “The Gathering Place” comes across as a coffee shop and I think a coffee shop needs the word “coffee” associated with the name of the business. “The Gathering Place” sounds too vague and has a club or bar essence to it which seems like it is a place to mingle and have a good time. While I mingle and have a good time at coffee shops, I don’t think this name captures the Christian worldview Shania wants associated with her shop.

**Advise Shania on which of the interested persons she should include in her business, why, and in what role(s). If she chooses not to take in a particular party, what reasons should she give each person, if any? Your analysis must include biblical perspectives, such as biblical considerations of marriage and of business relationships with non-believers.**

If Shania were to include any of the interested persons within her business, I think both have something to offer to her business with some cons that follow. While Shania’s sister is a new Christian, she is held back by her husband who is a non-Christian. He would rather her not get involved and stay at home with their children. From Kelsey’s perspective I would turn to Romans 14:1, “As for the one who is weak in faith, welcome him, but not to quarrel over opinions”. As Kelsey I would make the decision to partake in giving back to society and wanting to contribute to something good. I would welcome my husband to join me in my endeavors in serving others in hopes to shed some light on my decisions regardless of his views. When it comes to Carlos, he seems like he is only interested in the business for financial concerns however, having a non-Christian a part of Shania’s business would allow other non-Christians to feel welcome at her establishment. It gives her business a sense of inclusivity and a chance for non-believers to get acquainted with the Christian worldview. Romans 12:2 states “Do not be conformed to this world, but be transformed by the renewal of your mind, that by testing you may discern what is the will of God, what is good and acceptable and perfect”. I believe by non-Christians being exposed to Shania’s business they will understand the Christian worldview and fulfill the purpose of Shania’s coffeeshop; being a gathering place for all.

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**FROM ALEXIS PARKER**

**Business Form to Best Accomplish Shania’s Goals**

            In the realm of business, there are many different forms to consider when choosing which direction to kick start your business into. Some of the forms in which to start and run a business organization are by sole proprietorship, partnership, corporation, LLC or joint venture. After analyzing Shania’s circumstance and the business she is looking to start, I believe that starting as a sole proprietorship and then venturing into the realm of partnership, whether that be general, limited, or limited liability partnership would be most beneficial for her. It is crucial to be able to understand each form of business organization so that you can best implement the one for each unique business. No two business are the same, which is why there is not a universal form of business organization.

Starting as a sole proprietor would mean that according to our text, “you are in sole control of the management and the profits and losses, it requires very few legal formalities, and you have complete control of the management of the business and the freedom to hire employees, determine business house, and expand or change the nature of the business (Kabusek et. al, 2016) For Shania, this would mean that before she establishes “The Gathering Place” as a new business, she would have to build capital to cover overhead, supplies, and hire and pay employees. She would have to implement marketing strategies and get the name of her coffee shop into the public. This can very easily be done by social media and word of mouth, which is the cheapest and best form of advertising. Since Shania’s husband has already agreed to provide her with the capital but has a “hands off” mentality himself, this gives Shania the ability to be the sole proprietor of “The Gathering Place”. After Shania opens her coffee shop and begins to make a profit, she would then be able to open the door to investors and partners such as her sister Kelsey and her neighbor Carlos.

Shania could also choose to go about kickstarting her business in a different direction by becoming part of the franchise side of business. The advantages of becoming part of a franchise for Shania are that she would, “have help from the franchisor in starting the franchise, receive instant recognition due to the franchisor’s strong trademark or trade name, and she would reap the benefits from the franchisor’s worldwide advertising (Kabusek et. Al, 2016).” There are multiple other benefits of becoming part of a franchise such as it is a much lower risk decision than being a sole proprietor and you gain increased income from franchise. On the other hand, there are also many disadvantages to franchising. For Shania, this would mean she would be giving up her own brand and name of her coffeeshop as she would be partnering with a much larger already established corporation. According to Kabusek other disadvantages include that the franchisee must “must the franchisor’s standards or risk losing the franchise, subject to paying franchise fees and you are under the control of the franchisor, and the franchisee must follow all of the franchise rules in order to keep the franchise relationship.” (Kabuseket. Al, 2016) From the excerpt, it appears as if Shania is looking to create her own brand. As a strong Christian herself being surrounded by many churches in her area, I believe her coffee shop would thrive as these potential customers would frequent her business because they would be willing and able to support the brand as they believe in the mission she has established. Becoming a franchisee would not be beneficial to Shania and her dream of owning her own coffee shop, as “The Gathering Place” would become a home away from home for her customers and a place of fellowship.

After “The Gathering Place” starts to turn a profit and builds a clientele, I believe Shania would want to consider going into partnership with investors like Kelsey and Carlos, who are individuals that believe in her brand and want to support it. When going into a partnership with an individual, you are realizing that you are no longer the sole investor in the company, that there will be another person that will assist in making decisions and contributions to the company, there will be someone else to carry the burdens but also celebrate in the succeses with, and another individual that you can rely on and they can rely on. In an article in the Graziadio Business Review by Kerns he discusses how there is a framework and step by step process of signing into a business partnership with someone. Kern states that you first must “determine common ground and value of the relationship, recognize each party’s contributions to the enterprise, acknowledge the benefits each party enjoys and then clarify roles as distinct from equity ownership (Kerns, 1999).” After more of the managerial and financial goals are set in stone, the business partners can focus on “indexing desire for success, establish a confidence index of a “we can do it” mentality, prepare for win-win negotiations, as well as identify, define and grasp the issues, then generate, evaluate and select alternative solutions, and lastly decide on a fair arrangement and document the agreement (Kerns, 1999).” If Shania were to go into partnership with Kelsey and Carlos, this would provide more capital as well as a broader base of knowledge and skillset to enhance business profits and customers reached in different markets.

**Franchise versus Independent Coffee Shop**

            In my opinion, I believe “The Gathering Place” should be an independent coffee shop and not franchise. Shania wants to start a coffee shop with the mentality of reaching the Christian world around her business, but also reaching the non-Christian population as well. In an article from the European Journal of Business and Management by Okram, Gohar, Jamal and Haq, they found that “it is very tuff for small businesses to convert into a large business and that the entrepreneur has to work hard for the existence of his/her business (Okramet. Al, 2013).” To our understanding from Shania’s situation, she has found her niche market to start her small business, she has capital ready to be invested, and she has the idea and business plan in place. If Shania were to franchise she would have the security and backing of the franchise, however she would be giving up her own brand. As long as Shania makes smart business decisions and sticks to her business plan and mission, her business will thrive. Scripture states in Matthew 21:22l, “And whatever you ask in prayer, you will receive, if you have faith.” (Matthew 21:22, ESV) Another crucial area that Shania must focus on is starting “The Gathering Place” by covering it solely in prayer. Every good thing is given to us from our Father in heaven, and He is the one who will see it to completion. By covering this small business in prayer, we know that it is in the Lord’s hand and will thrive if it is His will.

**Name Availability in Colorado**

            Unfortunately, Shania’s intended coffeeshop name “The Gathering Place” is currently unavailable in the state of Colorado. However, the name “The Gathering Niche” is currently available, so Shania would be able to name her coffeeshop such. If Shania did choose to buyout the name from the other corporations, this would come at a hefty cost which assuming at this point early on, Shania does not have the capital to do so. While a name for a business is important in building a brand, it is not everything. It is the mission of the business, customer service they provide, and how they treat their employees that builds a brand. The name “The Gathering Niche” is available as a trademark as it has not been claimed by anyone in the state of Colorado. According to the United States Patent and Trademark Office, “a trademark typically protects brand names and logos used on goods and services (USPTO, 2019) All in all, if Shania were to trademark this name to protect her brand, she is in the long run protecting and ensuring the integrity of her intellectual property.

**Business Relationships and Ventures**

            It is crucial in any aspect of our lives to surround ourselves with people who will pick us up, help us out, and motivate us to be the best versions of ourselves. There is truth in the saying that we become the people we surround ourselves with. The people who we spend the most time with are a reflection of who we are or who we want to become. When deciding who to go into business with and who would make a good business partner, there are many factors that one must consider. You must evaluate if that individual is a person of good character, if they are dedicated and hardworking, if they will stick around if things get tough or if they will give up, if they have the same goals in mind as you do for your business, and if their mission in life as well as in business is the same as yours. I believe that it would be wise of Shania to use her husband’s capital contribution in the business, just ensuring that he knows he has agreed to keep hands off the management component. I believe this would be wise because Marvin is her husband, and with the vow of marriage he has agreed to love and support her in her dreams. Scripture says in Ephesians 5:25, “Husbands, go all out in your love for your wives, exactly as Christ did for the church – a love marked by giving not getting (Ephesians 5:25, ESV).” We are called to love and give unconditionally, which is why I believe Shania’s husband should support her through capital means in her business venture. I believe that when it comes to Shania’s sister Kelsey, Kelsey is looking for a way out. Kelsey is solely looking to go into business as a way out, or better as a scape goat. If she is looking to help in supporting a Christian established business, as a new Christian herself she ought to invest time in prayer and supporting the business in that sense before leaving behind her family to become involved in her sister’s business venture. Kelsey’s husband however, is being selfish in his own ambitions by telling her she can’t do something because he expects her to raise the children as a stay at home mother. In today’s societies, many of the strongest women are those who work to support their families by working as well as taking care of their children and household. Lastly, in regards to Shania’s neighbor Carlos, even though he is a non-Christian, this would be an opportunity for evangelism for Shania. The only way to reach the lost is by inclusivity not exclusivity and by engaging them in conversation and opportunity. Laying the biblical foundation for someone and showing them the love of Christ through a business opportunity is a great way to open the door for the gospel to be shared. Just because someone is not a believer does not mean that would make them a bad business partner. In 1 John 4:7 it states, “Dear friends, let us love one another, for love comes from God, everyone who loves has been born of God and knows God (1 John 4:7, ESV).” God calls us to love one another as He loves each of us individually. We can love another by going into fair and equal business ventures with each other, to in turn support one another’s goals and dreams. Business is complicated and can put individuals in situations where tough decisions have to be made, but if you surround yourself with positive influences and people who will build you up and stick with you through the good and the bad then you are bound to find success in the business world.

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**FROM KISHAN MOOTILAL**

Before attempting to make a determination on which form of business is most appropriate for Shania, it is important to look at the options she has available to her in terms of her potential business partners and what degree of involvement in the business is sought by each. The reason why this first needs to be considered has to do with it being the factor that would play the greatest role in a decision regarding business form. These are the people that have expressed interest in partnering with Shania in some way; Marvin, Kelsey, and Carlos. Let’s look at each of their situations separately.

Marvin is Shania’s husband. He would like to contribute towards the capital but would prefer that his involvement be limited to the capital only. He has no desire to otherwise participate. Under normal circumstances, we would need no further analysis to recommend the best action for Shania. It would be for her to choose another type of business, one which her husband would be willing to participate in as well. In a Christian marriage, it is less than ideal for either spouse to pursue any form of enterprise that is not a joint effort between them. Such a venture is far more likely to draw them apart than bring them together, and it would be an unwise thing on the part of Shania to unnecessarily risk the well-being of the marriage for the sake of pursuing her entrepreneurial ambitions. However, since the prompt implies that she is establishing the coffee shop despite her husband’s lack of interest, let’s continue to consider her other potential business partners.

Kelsey is Shania’s sister. She is a Christian and has two teenage children with her non-Christian husband. Kelsey has expressed interest in being a part of the business and would be a good candidate due to her being closely related to Shania, and also a Christian. Nevertheless, she should be precluded from consideration because it is against the wishes of her husband. His desire is for her to stay at home and take care of their children. We may agree with his position or we may disagree but that is irrelevant. At the end of the day, Kelsey has entered into the covenant of marriage with her husband, and that involves her being subject to him, whether or not she sees his position as reasonable. That covenant is made before God, therefore both Kelsey and Shania should demonstrate respect for it. A woman should never be encouraged to act contrary to the desires of her husband, except in instances where her husband’s desires are in violation of God’s command. In Paul’s letter to the church at Ephesus, he writes, “Wives, submit to your husbands as to the Lord.” (Eph 5:22 KJV). Paul’s words, by extension, is an admonition to all Christian women and unfortunately, is applicable not only to women with Christian husbands, or in instances where the woman agrees with her husband’s position, but even in cases where she may not.

Lastly, Shania’s friend Carlos would also like to partner with her in the business. However, he is a non-Christian and also does not share her vision for the business. She is a mature Christian and we can infer that she sees this enterprise as an extension of her faith. However, Carlos sees potential for the Christian label only in terms of its ability to draw customers and increase revenue. Paul tells the church at Corinth, “Do not be unequally yoked with unbelievers” (2 Cor 6:14), and we’re sometimes inclined to apply this scripture exclusively to the idea of marriage but there is a much broader application to be found here. When two people enter into a joint venture such as enterprise, they could very well be looked at as being “yoked” together. It is also worth mentioning that even though Carlos may be a very upstanding person, the fact that they have different worldviews renders the relationship at high risk for disagreement between both partners.

Having made these considerations, the best option for Shania would be a partnership with her husband where her husband functions as a silent partner. Otherwise, she could opt for either a sole proprietorship or a single-member Limited Liability Corporation (LLC). Since she wants to name the business herself, she should decide against a franchise, as the franchisor, at the very least, would require her to adopt the franchise name. Depending on the franchisor, they may also require her to be subject to regulations and protocols that govern the franchise, which may not be consistent with her Christian values. For example, if she would prefer to have her business closed for observance of the first day of the week as it relates to God and worship, her franchisor may not be on board with that position and that would inevitably lead to conflict between her and her franchisor, or even worse, to a situation where she is forced to compromise on her Christian values for the sake of maintaining her business. Additionally, Shania may want to utilize her business as a forum through which she could reach out to others with the gospel of Jesus Christ. Being subject to the regulations of a franchisor may leave her in a position where she is restricted from doing so, robbing her of that opportunity to glorify God through her enterprise.

Finally, as it pertains to the name of the business. There is already an entity incorporated under the name “Circle’s the Gathering Place” in the state of Colorado. The Colorado secretary of state may still allow her to use the name which she would like, “The Gathering Place.” However, she should give serious though to the fact since those two names are so similar, people may end up being routed to Circle’s the Gathering Place when they search her business online. To avoid that type of confusion and to avoid running the risk of losing business as a result, Shania may need to reconsider her choice of a business name.

**FROM CARLIN SACCUCCI**

This module’s discussion focuses on formation issues regarding a coffeehouse startup.  Shania, the entrepreneur, is a mature Christian considering going into business with family members and friends, and must decide upon entity type, name, which individuals to include in the venture, and to what extent.

**1.  Advise Shania on which of the business forms under consideration best accomplishes her business goals. Thoroughly explain the reasons for your recommendation.**

            When considering which business form best lends itself to Shania’s goals, it is essential to consider the idea that individuals pursue business opportunities for different reasons.  Overwhelmingly, new entrepreneurs are motivated to start their own businesses by the freedom and autonomy associated with ownership (Allen, 2016).  While Shania’s specific business goals have not been stated, the fact that she is a mature Christian suggests implications consistent with the biblical Christian worldview, wherein the faithful are compelled to honor God in each sphere of life, including that of business or career (Martin, 2006).  Forms of entry differ in regard to the extent Shania herself may influence the company’s business practices and should therefore be a primary consideration.  A sole proprietorship would obviously make Shania’s voice a singular one, but that type of entity also has some inherent disadvantages including the exposure of personal assets to liability, and limited funding (Chrisman, 2013).  The availability of additional resources in friends and family suggests that Shania may benefit from formation which utilizes those advantages.

            When assessing Shania’s case and the individuals interested in going into business with her, the benefits afforded by a limited partnership immediately come to mind.  Given the circumstances, it seems questionable whether Shania would want to surrender any significant control to the other individuals.  As opposed to a general partnership, the formation of a limited partnership would allow for a single general partner with the associated management function, in addition to limited partners whose participation is limited to that of investing principals (Melvin & Katz, 2015).  It should be noted that while opting for a limited partnership would provide liability protection for the limited partners, Shania would be personally liable for all of the company’s debts and liabilities (Melvin & Katz, 2015).  If she were to determine that liability protection was paramount, Shania might consider exploring another mode of entry.

            Business formation which allow Shania to take advantage of the financial and human resources available while also protecting her personal assets is afforded by the limited liability company (LLC).  LLC’s provide members with liability protection similar to that of a corporation, while avoiding corporate, double taxation (Kippenhan, 2017).  Specifically, a manager-managed LLC could be formed with an operating agreement drafted in such a way as to entrust the vast majority of decision-making to Shania (Kippenhan, 2017).  If Shania intends on going into business with the interested parties, an LLC appears to provide her the greatest overall advantages.

**2.  Advise Shania on whether her company should become a franchise or should open as an independent coffeehouse. Explain your recommendation.**

            The decision whether Shania should buy a franchise or open an independent shop is complex.  Beginning with the level of competition in her market, her required rate of rate and required cash flow are immediate considerations.  A franchise could provide immediate brand equity and assist in quality and consistency through training, protocols, and distribution (Chrisman, 2013).  These benefits come at a cost however, some of which is monetary in the form of fees paid to the franchisor, some of which is in the form of contractual obligations which may inhibit the expression of Shania’s ideas and principles.  The case scenario does include a potential franchise option whereby Shania would contract with a franchisor in an arrangement which would provide her with franchise benefits, while avoiding some of the restrictions such as trade dress.  Depending upon the confidence in her creative ideas and operational acumen, she would have to weigh the specific limitations of franchising with the extent to which doing so may increase the likelihood of profitability and sustained success.

**3.  Perform a corporate name search at this website to determine if the name Shania is considering is available for use in the State of Colorado. Also assess whether the name is available as a trademark. Even if the name is available, advise Shania on whether it is a good choice. Explain why or why not.**

            A search performed on the State of Colorado’s website revealed that the name “The Gathering Place” is registered, and although delinquent, remains active (Colorado Sec. of State, n.d.).  Under Colorado State law, Shania would have to choose a name which distinguishes itself from a name on register (Colorado General Assembly, 2018).  A search of the same database indicates that the name is available for trademark within the restaurant category, however.  If Shania chooses to form an LLC as suggested above, those initials or the word limited liability corporation would have to follow the company name (Colorado General Assembly, 2018).  Even if the name were available for registration, it may be a questionable choice.  While searching the state database, it was apparent that many companies used similar versions of the name, often for non-profit organizations such as churches.  Prima facie, this may seem to work well for a Christian run company.  The issue may be whether the name fails to effectively market the company as a coffee shop, or cause confusion with the non-profits in the mind of consumers.

**4.  Advise Shania on which of the interested persons she should include in her business, why, and in what role(s). If she chooses not to take in a particular party, what reasons should she give each person, if any? Your analysis must include biblical perspectives, such as biblical considerations of marriage and of business relationships with non-believers.**

            The parties expressing interest in Shania’s business idea are her husband Marvin, her sister Kelsey, and her neighbor Carlos.  Assessing her husband’s role seems obvious, given that he is only interested in contributing capital with no intention to participate otherwise.  The fact he sees merit in the opportunity should be encouraging to Shania, in that they may proceed in one accord as a married couple.  In contrast, the situation with her sister seems problematic, as her husband is opposed to Kelsey’s involvement.  It is provided that Kelsey is also a new Christian married to a non-Christian, which likely presents its own challenges to the couple.  In 1 Cor 7, 12-16, the Apostle Paul explains that Christians married to non-Christians should seek to remain married and live in peace.  As a mature Christian, Shania should recognize the possibility that encouraging Kelsey to participate could somehow threaten that marriage.  With that in mind, Shania should offer Kelsey an opportunity to join as a non-participating member of the LLC.  When dealing with what to do about Carlos, a non-Christian, it is easy to dismiss the possibility entirely by looking to verses such as 2 Cor 6:14, which warns of being unequally yoked with unbelievers.  The specific application of direction such as this seems case dependent.  There are likely circumstances in which an association with a non-Christian may represent a liability to a believer, while other situations exist which may actually provide an opportunity to minister and be a light for Christ.  If Shania remains in control of decision-making and Carlos simply invests, the association may ultimately benefit both individuals.

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**FROM ANDREW MARIN**

**Limited Liability Company/Sole Proprietorship**

Shania, a mature Christian, has to consider many business forms to accomplish her business goal of opening a Christian coffeehouse near Denver, Colorado.  Initially, she had the opportunity to buy two types of franchises.  A franchise is a business arrangement where Shania would sell goods or services under the trade name or trademark of an owner (Kubaseck, Browne, Herron, Dhooge, Barkacs, 2016, p. 475).  An example of a franchise is McDonald’s, a fast-food restaurant with no affiliation to Christianity.  The benefit of potential increased income with instant recognition of a trademark or tradename does not outweigh the disadvantage of conforming to the owner’s rules and standards. A franchise will not work for Shania because she requires autonomy to own and operate a Christian coffeehouse to her standards.  To successfully move forward, Shania must consider how she plans to organize her business.

A partnership is a “voluntary association between two or more people who co-own a business for profit” (Kubaseck et al., 2016, p 463).  Her husband, Marvin, is willing to contribute capital but has no interest in being involved with operations or management.  Shania’s sister and neighbor are both willing to help but do not embody the same passion that Shania has to start her own business.  For this reason, a partnership or even a limited liability partnership would not benefit Shania.

A corporation is a “legal entity formed by issuing stock to investors, who are the owners of the corporation” (Kubaseck et al., 2016, p. 468).  Most large and well-known companies such as Walmart and Apple operate as a corporation (Kubaseck et al., 2016, p. 468).  An advantage of starting a corporation is the extensive protection from personal liability.  The disadvantage that offsets the protection gained is that costs are very high, and her business will be taxed twice (Choosing a Business Structure).  According to our case study, Shania does not have any other shareholders other than her husband.  She would not have much value-added from creating a corporation.

A joint venture is an “association between two or more parties wherein the parties share profits and management responsibilities with respect to a specific project” (Kubaseck et al., 2016, p. 473).  This type of business organization is not beneficial for Shania because there are no suitable candidates between her family and neighbors to share the management responsibilities.  Her only two options as the individual head of the company, financially and managerially, are a sole proprietorship and a limited liability company.

A sole proprietorship is a business in which one person is in complete control of management and profits (Kubaseck et al., 2016, p. 462).  This type of business organization would allow Shania to run her business with the Christian values she sees fit.  Shania, acting as the sole proprietor, is not best option due to her circumstance.  Her husband, Marvin, is willing to contribute capital, but has no interest in being involved with operations or management.  Although she would have full control of every aspect of her business, she takes on the full risk of her and her husband’s money and is independently liable for shortfalls.

A limited liability company has the best of both corporation and partnership business structures (Choose a Business Structure).  Shania’s company would benefit from the tax advantages and management flexibility of a partnership with the limited liability of a corporation (Kubaseck et al., 2016, p. 469).  This is a perfect option for Shania to pay a lower tax rate than she would have with a corporation (Small Business Administration).  With all of the business organizations considered, I would advise Shania to start a limited liability company.

**Independent Coffeehouse**

As mentioned before, a franchise limits Shania’s ability to create her vision of a Christian coffeehouse.   A franchise may be the quickest way to turn a profit, but that is not necessarily the purpose of a Christian coffeehouse.  A disadvantage of pursuing an independent coffeehouse is that “franchisee corporations likely outperform the establishments of Independents” (Kalnins, 2010).  I assume that one of Shania’s goals is for the coffeehouse to foster fellowship and exemplify Christian values.  An independent coffeehouse is fundamental to Shania to ensure her a franchise’s restrictions do not limit her business goals.

**“The Gathering Place”**

Unfortunately, after a corporate name search on the Colorado Secretary of State, the naming convention of “The Gathering Place” was taken in December 2017.  It is a nonprofit corporation in good standing located in Woody Creek, Colorado.  Although “The Gathering Place” is an excellent name for a Christian coffeehouse, there were 41 matching records when I searched the name.  According to Cornell University, a trademark is “any word, name, symbol, or design, or any combination thereof, used in commerce to identify and distinguish the goods of one manufacturer or seller from those of another and to indicate the source of the goods.”  Even though the name is available as a trademark, I would advise that Shania considers a unique name if she is set on establishing in Denver, Colorado.

**Interested Persons**

Shania has the potential to bring both family and friends into her business venture.  Objectively speaking, more people working for her will result is more work done.  Business, conducted in the Biblical worldview, is not binary.  Other intangible factors, such as community and fellowship, must be considered.  In the case of building a Christian coffeehouse, I would advise Shania to reflect on a passage from Proverbs 16:3, “Commit your work to the LORD, and your plans will be established.”

Shania should undoubtedly accept the contribution from her husband to help start the business.  She should take advantage of this opportunity because Marvin has no interest in participating in the coffeehouse’s operation or management.  The stress of work could potentially strain homelife in the marriage if Marvin wanted to be equally involved with operations.  Shania should be transparent to Marvin and show him how she plans to utilize the capital that he has provided.

After careful consideration, I would advise that Shania should indeed work with her sister, Kelsey.  I believe that Shania, Kelsey, and Kelsey’s husband could come to an agreement that benefits all three parties.  “Wives, submit to your husbands, as is fitting to the LORD.  Husbands, love your wives and do not be harsh with them” (Colossians 3:18-19, English Standard Version).  Kelsey’s children are school-age, which would allow her to work for several hours during the day at the coffeehouse while balancing her home duties.  During Kelsey’s workhours, Shania, as a mature Christian, will be able to mentor her sister and guide her deeper into the faith.  Kelsey’s husband should not be so rigid with his wife and understand that Kelsey may not feel fulfilled as just a stay-at-home wife.

Shania does not intend to open the next multimillion-dollar chain of coffeehouses.  The purpose of a Christian coffeehouse goes above beyond a $5 cup of coffee to produce a profit.  Carlos made it clear that he does not share the same Biblical worldview with Shania.  Their partnership has the potential to hurt her establishment.  At first glance, Carlos is not a good option because he is in it solely for monetary gain.  As a devout Christian, Shania can take this opportunity to show love and bring a non-religious person to Christ.  The purpose of “The Gathering Place” is to provide a non-secular coffeehouse where fellowship can blossom.  This creates the perfect opportunity for Shania to practice what she preaches.  I would advise her to give Carlos a chance, but if this partnership does not work out, then she should go in another direction.

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**FROM TIM CRAIN**

**1.      Advise Shania on which of the business forms under consideration best accomplishes her business goals. Thoroughly explain the reasons for your recommendation.**

Shania is interested in starting a Christian coffeehouse near Denver. While we don’t really know the extent of her long-term goals with the coffeehouse, it sounds as if a corporation doesn’t make a whole lot of sense for her business. As stated by Kippenhan (2016), this would require her to issue stock to investors, and rely on a board of directors to help guide the direction of the business to best suit it’s shareholders (p. 468). While Shania has a focus on ensuring the coffeehouse is a Christian coffeehouse, it’s shareholders may not find that to be the best direction for it, and may eventually have a significant move away from the Christian coffeehouse, which Shania obviously does not want to happen. Next, a sole proprietorship may not be the best solution for starting the business as well. While the “sole proprietorship requires very few legal formalities” (Kippenhan, 2016, p. 462), Shania may run into becoming personally liable for “contracts, debts, losses, and other obligations” (p. 462), an undesirable result. Instead, I recommend that Shania begins this endeavor as a partnership. Specifically, she should pursue a limited liability partnership (LLP) with one of the other individuals who are also interested in the business. While Shania and her partner will still be personally liable for the businesses debts, this will allow Shania to bring in limited partners, such as her husband, who will “assume no liability for the partnership beyond the capital they have invested in the business” (Kippenhan, 2016, p. 467).

**2.      Advise Shania on whether her company should become a franchise, or should open as an independent coffeehouse. Explain your recommendation.**

If Shania can find a company that fits her desires of creating a Christian coffeehouse, I would recommend that she purchase a franchise. Shania will need to recognize, however, in a franchise that she will have very little influence on the product line, and the look and feel of the business. “From an ownership perspective, a franchise is very different than a typical small business. Unlike independent business owners, franchise owners don’t have the freedom to change their products or services based on their personal desires or changing market conditions” (Kroeker, 2013). Additionally, when compared to the cost of starting a brand-new independent business, buying a franchise will have lower total investment costs (Kroeker, 2013). “When it comes to franchising, the coffee shop sector is soaring” (Simpson, 2019). With a tried and true coffeehouse franchise, Shania will most likely have no problem in making a profit with her business.

Shania still has the option to be a part of a franchise that purchases specific products for a set period. This is still a great option for Shania, especially if she isn’t too familiar with certain products or intends on reselling coffee products rather than creating her own. If her intent is to provide a coffeehouse with a Christian feel, and less of a focus on developing new coffee tastes, this is a great way to go.

However, should Shania be unable to find a franchise that fits her desire in creating a Christian coffeehouse, doesn’t want to commit to a long-term product purchase, or wants to develop new tastes in coffee, she should start an independent business. This will allow her to make it the business she wants it to be. She will be able to shape the face of her business how she sees fit and will be uninfluenced by the recognition of a franchise. For example, should a separate business under the same franchise that Shania buys into experience negative publicity, this can affect Shania’s business. “The major criticism often levied at the coffee franchise giants is that they lack the local personality of an independent coffee shop” (Simpson, 2019). If Shania’s primary goal is to create a business that reflects the Christian faith and following, a franchise probably won’t be the way she wants to go.

Personally, of all of these options, I would purchase a turnkey franchise. This would allow me to get started in the coffeehouse business, have product readily available, and allow me to focus in developing the coffeehouse into the Christian coffeehouse that Shania envisions it can become.

**3.      Perform a corporate name search at**[**this**](http://www.sos.state.co.us/biz/BusinessEntityCriteriaExt.do)**website to determine if the name Shania is considering is available for use in the State of Colorado. Also assess whether the name is available as a trademark. Even if the name is available, advise Shania on whether it is a good choice. Explain why or why not.**

According to the Colorado Business Search tool, the name “The Gathering Place” is unavailable for use as a name. It is, however, still available as a trademark. Because the name is already being used by a different corporation, Shania will have to come up with a different name. Had it not been already used, I believe it is an appropriate name for what she desires to do with her business. For the purpose of establishing a Christian coffeehouse, the name gives a feeling of bringing individuals together to share in their knowledge over a cup of coffee. At the same rate, it isn’t a name that will turn away other interested coffee-drinkers who may not be Christian. It can simply imply a place for everyone to gather, and still be welcoming to non-believers.

**4.      Advise Shania on which of the interested persons she should include in her business, why, and in what role(s). If she chooses not to take in a particular party, what reasoning should she give each person, if any? Your analysis must include biblical perspectives, such as biblical considerations of marriage and of business relationships with non-believers.**

I believe that Shania should take interest in having both Kelsey and Carlos in on her team. Because of Kelsey’s desire to simply get out of the house more often, and because our her husband’s desire for her to remain at home, I would simply offer Kelsey a job at the coffeehouse. Whether or not she accepts due to her husband’s desire for her to stay-at-home is between them. From the Bible, we know that we should “teach the older women to be reverent in the way they live…Then they can urge the younger women to love their husbands and children, to be self-controlled and pure, to be busy at home” (Titus 2:3-5, New International Version). Some Christians believe this to mean that women should stay at home. For me, I don’t necessarily see this as the truth. Instead, I believe that both the man and woman share a responsibility for a safe and comfortable home for their families. In today’s day and age, that might mean going out and getting a job to have money to provide for our loved one’s a little bit better at home than if we didn’t have the job. Therefore, the fact that Kelsey’s husband wants Kelsey to stay at home will not be a factor in my decision on offering Kelsey a job at the coffeehouse.

As for Carlos, it sounds as if Carlos is all-in on the idea of the Christian coffeehouse. From my recommendation on making this coffeehouse a LLP, I would invite Carlos to be my general partner. While Carlos is a non-believer, I do not believe this would cause a significant impact to making the coffeehouse a Christian establishment. He has already agreed that the making the coffeehouse a Christian establishment could do really well in the area, especially with the number of churches in the area. In fact, if Carlos were interested in hearing the word of God, becoming a business partner with him may be a way to help spread the word of God. “Consequently, faith comes from hearing the message, and the message is heard through the word about Christ” (Romans 10:17, New International Version). Personally, I will not pass judgement on an individual for being a non-believer. Perhaps I am shaped by my current role as an officer in the United States Air Force, but the fact that Carlos is a non-believer does not have an influence in my opinion of him.

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**FROM MIKE KIMBERLY**

# Business Form that Best Accomplishes Her Business Goal

Shania has multiple options on how she could form her business.  This section will explore five of these options: sole proprietorship, partnership, limited partnership, limited liability partnership, and limited liability company.

In a sole proprietorship, Shania maintains all decision authority and keep the profits which are taxed as personal income.  The primary disadvantages are that she is personally liable for any losses or obligations.  Additionally, she is limited to funding the business by herself since she would not have any partners (Kubasek, Browne, Barkacs, Herron, &Dhooge, 2016, p.462).

Forming the business as a partnership allows her husband to contribute the capital he offered.  His undesired role in operating or managing the business can be explicitly detailed in the articles of partnership allowing Shania to maintain all decision authorities.  Similar to a sole proprietorship, business profits are taxed as personal income for each partner since the business is in itself not a separate legal entity.  Both partners are liable for losses or obligations no matter if the losses or obligations were incurred by a single partner or both partners (Kubasek et all, 2016, p. 463-465).

Setting the coffeehouse up as a limited partnership, for this particular situation is similar to the partnership described above.  There are two primary differences in the context of this particular situation.  First is that Shania’s husband has no role in managing and operating the business as he would be categorized as a limited partner.  There is no need to spell out his management responsibilities in the documents forming the limited partnership.  The second difference is that Shania’s husband, as a limited partner, is only responsible for business liabilities equal to his original capital investment (Kubasek et all, 2016, p. 466).

As a limited liability partnership, Shania and her husband would enjoy the tax advantages similar to a general partnership and their individual liabilities are protected against the other’s negligence (Kubasek et all, 2016, p. 468).  His desire to have no role in the operating or managing the business would need to be clearly defined in the partnership documents.  However, as they are married, their assets are shared so a limited liability partnership has no real advantage in this situation over the previous options.

To gain greater liability protection for herself and her husband, Shania could form the business as a limited liability company.  This approach provides the tax advantages of a partnership or sole proprietor, but adds liability protection since the business is considered a separate entity (Kubasek et all, 2016, p. 469-470).  Any debts, losses, or obligations are paid by the business and their personal assets are protected

I recommend that Shania forms her coffeehouse as a limited liability company.  As mentioned before, this gives her the tax advantages similar to a sole proprietorship.  A limited liability company also affords her liability protection.  If the coffeehouse runs into financial difficulties or was sued, the liabilities have to be paid through the business with her personal assets being protected.  Additionally, I would recommend that the business uses the member-managed options so she maintains direct decision-making authority.  To accommodate her husband’s desire not to be directly involved in the coffeehouse, I recommend that she forms the business as a single-member limited liability company.  “The heart of her husband doth safely trust in her, so that he shall have no need of spoil. She will do him good and not evil all the days of her life. (Proverbs 31:11-12, KJV).”  As they are married, his capital investment is really also Shania’s investment.  If her husband does not like the idea of a single-member limited liability company, then create a general limited liability company and clearly articulate in the operating agreement his limited role.

# Franchise or Not

Instead of opening up her coffeehouse as an independent business, Shania has an option to become a franchisee.  As she is looking to open up a coffeehouse, the chain-style business operation is the most appropriate.  Franchises have well established systems, products, and procedures that allows new entrepreneurs the ability to quickly establish themselves (Kristandy&Aldianto, 2014).  Some of the disadvantages are that there are rules and guideline that must be followed, upfront franchising fee, and ongoing royalty fees.

I recommend that Shania use an independent business model instead of becoming a franchisee.  Since she wants to have her coffeehouse’s foundation to be based on Christian beliefs, it may be challenging, at best, to find a coffee franchise that espouses the same values.  As an independent business, she retains the flexibility to modify her products, store theme, store hours, and other factors to match her values and beliefs.  From a fiscal perspective, I assume that she has sufficient funds to finance the adventure.  By not becoming a franchisee, she saves the franchise fee and can use those funds to invest in her business.    Additionally, any and all profits that her coffeehouse earns she will retain instead of paying royalties.  Finally, although a bit dated, there is empirical data from the late 1980s that documents franchise business having a higher failure than independent businesses (Lafintaine, Zapletal, & Zhang, 2018).

# Name

Shania is considering “The Gathering Place” for her coffee shop.  Unfortunately, in the state of Colorado that name is already in use by a non-profit organization in Woody Creek, Colorado and as a limited liability company in Matheson, Colorado (Colorado Secretary of State, 2019).  Additionally, the name has been used in other locations in Colorado where those businesses were dissolved for being delinquent with their paperwork or voluntarily.

The name does appear to be available as a trademark.  There were a few businesses that had a trademark, but they have expired or the paperwork was withdrawn (Colorado Secretary of State, 2019).

If the name was available, I would recommend to use it.  It conveys a sense of fellowship and in Colorado the name is generally associated with churches, refugee support centers or non-profit organizations.  All of which have positive associations so her coffeehouse would likely have goodwill from many potential customers due to subliminal association to those other entities.

# Interested Parties

Shania has three people that are interested in participating in her business adventure.  First, her husband is willing to invest in the coffeehouse.  As discussed earlier in this paper, Shania should accept his offer and bring him into the business within the limited role he desires.  Her second possible teammate is her sister, Kelsey.  I recommend that she brings her into the business as an employee.  As a new Christian, her religious values will be closely aligned with Shania’s.   Additionally, the coffeehouse’s Christian foundations with will help nurture Kelsey fledgling Christian beliefs.  I recommend that Kelsey be hired initially in a part-time capacity until her husband sees the benefits.  As a non-Christian, imploring him with biblical teachings such as “For husbands, this means love your wives, just as Christ loved the church. He gave up his life for her (Ephesians 5:25, KJV)” may not sway him, but seeing her increased personal happiness coupled with limited to no degradation of their children’s lives may change his position.  After which, Shania can bring Kelsey onboard as a full-time employee.

I recommend that she does not hire Carlos as an employee or involve him in the business.  “Do not be deceived: bad company ruins good morals ([1 Corinthians 15:33](https://www.biblegateway.com/passage/?search=1+Corinthians+15%3A33&version=ESV), ESV).” Or “do not be unequally yoked with unbelievers. For what partnership has righteousness with lawlessness? Or what fellowship has light with darkness ([2 Corinthians 6:14](https://www.biblegateway.com/passage/?search=2+Corinthians+6%3A14&version=ESV), ESV)?”  Carlos may be a fine person, but his lack of faith and belief would most likely appear, consciously or subconsciously, while serving the customers.  His personal beliefs and values differ from Shania’s and that could cause tension during the conduct of business.  This potential conflict would increase an already stressful situation of starting a new business.

I would not mention to Carlos that he was not being brought onboard due to his religious views.  This would, most likely, be religious discrimination or, in this case, lack of religion discrimination.  I would say to him that as a startup the coffeehouse is financially limited and with having Kelsey onboard the finances are stretched at this point.

I would keep an open mind, however.  Once the coffeehouse is established, if Carlos still wanted to be involved, I would recommend exploring the option.  At a minimum, having him involved could be a way to proselytize and ignite his potential religious beliefs.

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