

Disadvantages:

- Franchise fees
- Franchisor control
- Unfulfilled promises

6. Social Venturing

- For the entrepreneur driven by a desire to find solution to social injustice or environmental problems.
- Applying business skills to solve real-world challenges and capture opportunities in new market niches

Week 5: Sources of Capital for Entrepreneurial Ventures

Sources of Capital

- Funding only goes to entrepreneurs who thoroughly understand their customers' requirements and can ensure the funder from the beginning the product delivers value

Five Types of Capital

1. Financial
 - a. Relates to cash (money)
2. Manufactured Capital
 - a. Physical means of production that can be acquired or found in nature
 - i. E.g. tools, clothing shelter, irrigation systems, dams, roads, boats
3. Human
 - a. Talents and capability that individuals contribute to the process of production
4. Social
 - a. Connections within and between social networks as well as connections among individuals
5. Natural
 - a. Stock of natural ecosystems that yields a flow of goods or services into the future.
 - b. Recognises the essential relationship between the Earth's valuable resources and the business environment

Sources of Financial Capital

- Entrepreneurs have a number of sources of financial capital as their ventures develop
- The level of risk and the stage of their development help determine the appropriate source of financing for entrepreneurial ventures
- Sources:
 - Owners money
 - Family
 - Bootstrap
 - Informal investors