

4. DESIGN A SIGN

Many businesses find that one of the best ways of getting themselves known is to put their name and contact details on their vehicles. Design A Sign specialises in creating signs to meet the individual needs of its customers.

The business was started by David and he initially operated as a sole trader. He used his garage as his premises and at first he struggled, but the quality of his work meant that customers were frequently passing on his name to other businesses. With this extra custom he had to work long hours and could not meet demand, especially as the process of designing the signs and then applying them to the vehicles was quite time-consuming.

To carry on the business, David realised he would need to employ somebody, but getting the right person with the right skills would not be easy, and in addition his garage was becoming too small for the amount of work he was doing. He discussed the situation with Jason, his brother, who is a qualified graphic artist. Jason suggested that they go into partnership together. This was a possible solution that David had not anticipated.

Evaluate the view that operating as a partnership would be a better option for David than remaining as a sole trader. [10]

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