



Sole Trader

Sole proprietorships are the most common business structure for startups



SOLE

TRADER



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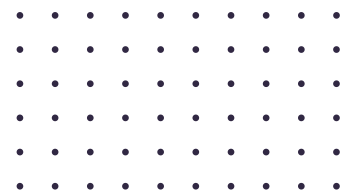
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Advantages

A sole trader keeps all the profits he or she makes. Additionally, they are free to run the business as they see fit, making all the key decisions on their own.

A sole proprietorship is the easiest type of business ownership to set up legally. Compared to other types of organizations, it has fewer rules and regulations





Disadvantages

As a sole trader, you take on all the risks of starting your own business, along with the disadvantage of unlimited liability. It is the sole trader's responsibility to pay the debts of the business. Personal assets, such as a car or house, may be sold to repay business debts.

It is common for sole traders to work long hours. As a result, they are fully responsible for their businesses. Many companies prefer to do their own purchasing and advertising in order to keep labour costs low.

There is a limit to the amount of finance that sole traders can raise. It is likely that they will receive money from family and friends or use their own savings. They might get a bank loan but only if the bank is convinced that the sole trader's business plan will work.

