

## SCENARIO

Gloria Smithson and her husband Joe have created a revolutionary widget that they believe will revolutionize the industry. Joe Smithson is an engineer, and he and Gloria worked steadily for approximately 1 year to develop the design. They have applied for a patent, which is currently pending. They have created prototypes and are ready to begin looking for manufacturers and accounts. However, they have not yet created a business and are not sure which type of entity will best serve their needs. They want to create a business that can grow steadily and perhaps expand globally. Gloria has researched accounting firms and believes she has found one that will be able to answer all of her questions. She wants to develop a long-term relationship with an accountant who regularly works with start-up businesses and who has global connections.

## YOUR ROLE

You are a business planner and accountant. Your expertise is in helping clients evaluate business formation options and business strategy. You have cultivated many international contacts in a variety of fields, including manufacturing. You believe that you will be able to help Gloria find appropriate manufacturing options abroad as well as companies in several countries with which she might want to partner. You have created an extensive memorandum that outlines the various business entity options, the strengths and weaknesses of each, as well as suggestions concerning global expansion. Gloria has come to you to get some advice on which business entity best suits her needs and objectives.

## KEY PLAYERS

Gloria Smithson  
Joe Smithson

Gerald Wilson

Nancy and Roger Forrester

## DELIVERABLE

Gloria is very concerned about insulating herself and her family from personal liability. You are a business planner and accountant. Gloria has come to you to get some advice on which business entity best suits her needs and objectives. For this assignment, you will prepare a three- to four-page memo to Gloria Smithson to advise her on which business entity you recommend she choose based on her situation and your research.