

Business Model Comparison Chart

This chart compares key features of common business models, including ownership structure, liability, taxation, and decision-making. Understanding these differences helps entrepreneurs choose the model that best suits their goals, resources, and risk tolerance.

Business model comparison

| | Co-operative | Corporation | Partnership | Sole Proprietor |
|-------------------------------|---|---|---|-------------------------------------|
| Purpose | To create wealth; to provide services; to benefit members | To generate wealth for shareholders | To generate wealth for the partners | To generate wealth for the owner |
| Ownership | Based on holding an ownership share; all members are equal | Based on holding an ownership share; ownership is determined by number of shares held | Based on investment (2 or more) | Single owner |
| Decision-making | All members have one vote; governed by a board of directors | Based on number of shares held; governed by a board of directors | Based on consensus, negotiation | Single decision-maker |
| Liability | Liability is limited to investment (share value) | Liability is limited to investment (share value) | Partners can be liable for debts | Owner can be liable for debts |
| Distribution of profit | Profit is distributed proportionate to the member's use of the co-operative | Profit is distributed based on number of shares held | Profit is distributed among partners based on agreement | Profit accrues to single individual |
| Financing | Member equity, investment shares, fundraising, grants, loans | Shareholder investment, fundraising, grants, loans | Partner equity, grants, loans | Personal investment, grants, loans |
| Tax status | Corporate tax, unless non-profit | Corporate tax, unless non-profit | Small business income tax | Small business income tax |