



# **Solar PV System Installation and Maintenance- Level-IV**

## **Learning Guide-59**

<b>Unit of competence</b>	<b>Manage and maintain Small/Medium Business Operations</b>
<b>Module Title</b>	<b>Managing and maintaining Small/Medium Business Operations</b>
<b>LG Code</b>	<b>EIS PIM4 M15 LO1-LG59</b>
<b>TTLM Code</b>	<b>EIS PIM4 0920v1</b>

### **LO 1: Develop and communicate Strategic work plan**



## Instruction Sheet

## Learning Guide -59

This learning guide is developed to provide you the necessary information, knowledge, skills and attitude regarding the following content coverage and topics:-

- Importance of planning
- Basics of planning
- Measurable and realistic short-term business objective
- Developing realistic activities plans and schedule.
- Major components of work plan
- Importance of constantly reviewing plans

This guide will also assist you to attain the learning outcome stated in the cover page. Specifically, upon completion of this Learning Guide, you will be able to:-

- Importance of plan
- Basics of planning
- Measurable and realistic short-term business objective
- Develop realistic activities plans and schedule.
- Major components of work plan
- Importance of constantly reviewing plans

### Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks



<b>Information Sheet-1</b>	<b>Importance of planning</b>
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### 1.1 Introduction

Planning is one of the elements of management, next to organizing, motivating and control.

It involves decision-making and action that will lead to the achievement of specific phenomena or objectives, the occurrence of which could not be spontaneous. Assumes that „planning is the design of the future, which we want, and effective means of implementation“. The planning process and its effect should therefore be predetermined and thoughtful set of elements that make up the decision-making process, which as a result should lead to the realization of the goals with optimal decisions concerning the selection of appropriate methods and resources to make this possible.

### 1.2 Importance of planning:

- analyzing opportunities,
- establishing objectives,
- determining planning premises,
- identifying alternatives,
- evaluating available alternatives
- selecting the planning team;
- identifying deliverables and creating the work breakdown structure;
- identifying the activities needed to complete those deliverables and networking the activities in their logical sequence;
- estimating the resource requirements for the activities;
- estimating time and cost for activities
- developing the schedule
- developing the budget;
- risk planning;
- gaining formal approval to begin work



<b>Self-check-1</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

N°	Questions
1	Planning is the most basic of all management functions.
2	Plan helps in the coordination of organizational activities.
	<b>Choose the best answer</b>
3	Which one of the following is <b>not</b> functions of plan? A. estimating time B. establishing objectives C. identifying alternatives D. None
4.	The first step of management next the plan is _____ A. planning B. leading C. organizing D. controlling

**Note: the satisfactory rating is as followed**

Satisfactory	Above 3 points
Unsatisfactory	Below 2 points



## 2.1 Basics of planning

A plan is the method or procedure by which something will be done.

- **planning involves**

- ✓ making choices about what to do and how to do it
- ✓ dealing with ambiguity
- ✓ identifying emerging patterns
- ✓ attempting to influence the future
- ✓ solving problems through assessment and design
- ✓ making strategic decisions towards a desired outcome
- ✓ analyzing past actions/ mistakes in order to improve future performance
- ✓ applying a mandate for change

- **The Limits of Planning**

Before embarking on any planning process, particularly highly participatory processes, teams and their operational partners need to take into account the limits of even the best planning processes and determine whether the benefits will outweigh the costs. One of the limits of highly participatory planning approaches include the following:

- ✓ Good planning requires investing time in the process, and key players may not
- ✓ Be willing to make the time investment required.
- ✓ Intuition or "creative muddling" may be preferable, particularly in highly
- ✓ Dynamic or unstable environments.

- **Planning Terminology**

The following terms associated with planning are often a source of confusion as they are used by individuals and organizations in different ways. The following paragraphs briefly discuss each term and put forward a working definition to encourage shared understanding within and between and its partners.

- **Strategy**

Vision is a mental image of how things should be; i.e., the realization of the desired situation  
Goals, Objectives, and Outputs A distinction is often made between goals and objectives with goals referring to higher level and longer term desired results and objectives referring



to specific results with definite time frames. Some organizations attempt to distinguish between the various levels of planning by using terms such as goal, objective, outcome, and output.

- **Goal:** the desired result of programmer in terms of overall solutions; goals are established at the organizational and programmed levels.
- **Objective:** a statement of desired result, or specific accomplishment often established at the sectorial level.
- **Output** defined deliverables which enable objectives and impacts to be achieved.



<b>Self-check-2</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

N°	Questions and answers
1	The desired result of programmer in terms of overall solutions is called objective.
2	The concept of vision may be applied to the personal and team only.
3	A distinction is often made between goals and output.
4.	
5.	Defined deliverables which enable objectives and impacts to be achieved is called Objective.

**Note: the satisfactory rating is as followed**

Satisfactory	Above 3points
Unsatisfactory	Below3points



Information Sheet-3	Measurable and realistic short-term business objective
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### 3.1 Definition and examples of SMART business objectives

After defining each of the characteristics of SMART goals, we will present some examples to make the concept clearer.

- **Specific**

Specific means referring to something unique, and is the opposite of general, broad or vague. Therefore, a specific goal should detail where you want to arrive, unequivocally. It goes without saying that your goal is to make a profit, or to sell more

- ✓ It goes without saying that your goal is to make a profit, or to sell more, these are general goals, not examples of SMART goals in companies.
- ✓ An example SMART goal, with respect to the specific feature, could be:

I want to sell higher quality sports products in my 4 stores located in Mekelle to take advantage of the effect of a sports festival that will happen in my city.

Okay, now, yes, that's specific.

- **Measurable**

When we refer to measurable, it's not only to define a measurement, a number to be achieved, but also that its objective can be ascertained objectively. For example, if we were to establish the goal to make 75% of the city's children happy, there would be no way to measure it. This criterion is subjective and impossible to measure. The correct way would look something like this:

EXAMPLE of SMART goals 2:

Sell 35% more high quality sports products, compared to last year, in the 4 stores located in Mekelle to take advantage of the effect of a sports festival that will happen in my city.

- **Attainable**

Now we need our SMART company goal to be achievable. If we were to talk about a 200% increase depending on the circumstances (but most likely) it would be unattainable, making the goal unbelievable, discouraging anyone who had to reach it and turning it into something useless and purposeless.





- **Relevant**

There's nothing more meaningless than setting a goal that won't give you any practical meaning or that won't help the company grow. SMART goals have to be important to the business

For example, setting a goal to renovate the flooring throughout your network of stores could be necessary and an important goal for maintenance personnel. but for your business, this is an operational detail, your goal should always be linked to something that will define the company's destiny, how to conquer new markets, expand your network of stores, the number of customers, billing etc.

- **Temporal**

Now we've reached the last feature of our smart goals: a date, a time to reach the goal. OKRs usually refer to a period of 3 months in which Key Results are monitored to see if the company is on track. In addition, OKRs comply with the following characteristics:

- ✓ Goals are ambitious (contrary to SMART objectives) and must be very difficult to achieve
- ✓ Key Results must be measurable
- ✓ If you reach 70% of OKRs, consider yourself doing OK



Self-check-3	Written test
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

N°	Questions
1.	Specific means something unique, and is the opposite of general
2.	.

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 1 points



#### 4.1 Developing realistic activities plans and schedule

Develop Schedule is the process of analyzing activity sequences, durations, resource requirements, and schedule constraints to create the project schedule model. The definition of realistic is someone who has a good grip on the reality of a situation and understands what can and cannot be done, something that is a practical, achievable idea, or something that resembles the actual truth about life. Scheduling can make or break a project. While the success of a project management initiative depends greatly upon both adequate planning and efficient execution, realistic scheduling is sometimes underestimated.

Some executives don't consider the development of a realistic schedule as sound to success as it really is. Meanwhile, adding more accuracy and explicitness to the project schedule lets align the entire work with stakeholder expectations and accounts for true We were assigned to reviewing a small construction project sponsored by a local company. When we came in, the project was at the early stage of its life-cycle, with the big trouble in scheduling.

- a. Step 1: Identify Available Time. Start by establishing the time you want to make available for your work.
- b. Step 2: Schedule Essential Actions. Next, block in the actions you absolutely must take to do a good job
- c. Step 3: Schedule High-Priority Activities.
- d. Step 4: Schedule Contingency Time.

The point was that the schedule didn't represent the real-life situation, which led to numerous delays and uncertainties.

- **Criticize the Project Schedule**

The first activity was to criticize the project schedule to ensure a more realistic forecast of how the work should be done. A sophisticated scoring algorithm consisting of multiple qualitative and quantitative metrics was used to analyze the schedule shortcomings against the constraints and float. The schedule was re-worked, corrected and improved by adding missing items, removing redundant logic, correcting irrelevant constraints, eliminating negative float, and converting delays into true tasks.



- **Steps to Successful Schedules**

Creating a comprehensive schedule is one of the more difficult activities that project managers face. Schedule creation is often considered more art than science, and results often support this. What is often more frustrating is that team members often find themselves on one team with a project manager that creates and manages schedules a particular way and on another team with a project manager with a different approach.

- **Step 1: Define the Schedule Activities**

Take your Work Breakdown Structure (WBS) work packages and decompose them further into schedule activities. Take each work."

- **Step 2: Sequence the Activities**

Remember back in grade school where you were given a bunch of pictures and you had to figure out their order. You had to decide which picture represented the 1st activity, the 2nd activity and so on? Well, that is exactly what the second step is all about. In the second step we sequence the schedule activities by simply placing them in the order in which they need to happen. For example, perhaps we need to install the video card first,

- **Step 3: Estimate the Resources Needed for the Activity**

The third step involves estimating what resources will be required to accomplish each activity. This includes estimating needed team resources, financial resources, and equipment. These resource needs should be selected for each activity prior to estimating the duration of each activity which is the next step.

- **Step 4: Estimating the Duration of Each of the Activities**

This step requires you and your team to analyses how long it will take to accomplish each of the activities. These estimates can be quantified through the following tools:

- Expert Judgment: by conferring with someone who is familiar or experienced in what it takes to accomplish a particular activity.
- Analogous Estimating: a top-down estimation approach is taken by looking at similar projects within your organization for estimates on how long a particular activity should take.



- Parametric Estimating: basically this is scaling an estimate. For example, perhaps you know it takes on average 10 minutes to install a software application. If the "install applications" activity includes the installation of 6 applications, you can use parametric estimation to estimate that it will take approximately 6 times 10 minutes, or 60 minutes to install all the applications.
- Three point estimation: sometimes referred to as PERT analysis, is a great tool for estimating activity durations. You basically take a weighted average of a pessimistic, expected, and optimistic estimate for the activity duration. This estimate is in the form of  $(\text{Pessimistic} + 4 \times (\text{Expected}) + \text{Optimistic}) / 6$
- Step 5: Schedule Development
- This step is the process where the sequence of activities, resources needed for the activities, and the duration of each activity is used to optimize the overall project schedule. Tools used in this process include critical path method, schedule compression, what-if scenario analysis, resource leveling, and critical chain methods. Each of these topics could have one or more articles dedicated to it,
- Step 6: Monitoring and Controlling the Schedule

The final step is monitoring and controlling the schedule. This step is performed throughout the life of the project and ensures that the work results lines up with the schedule plan. Schedule control requires the use of progress reporting,



Self-check-4	Written test
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

N°	Questions
1	Develop Schedule is the process of analyzing activity sequences.
2	Scheduling can make or break a project.
3	A sophisticated scoring algorithm consisting of multiple qualitative and quantitative metrics was used to analyze the schedule.

**Note: the satisfactory rating is as followed**

Satisfactory	3 points
Unsatisfactory	Below 2 points



### 5.1 Major components of work plan

A work plan is an important tool that helps a project to assign tasks, manage workflow and track the various components and milestone deadlines. A work plan often has a duration of six to 12 months, but it can be adjusted, based on a specific need within the company. Implementing work plans helps articulate strategies to employees in a way to improve team member focus and drive. Review these key components when developing works plans to ensure you are not overlooking important details.

- **Organize Teams and Leadership**

Once the objectives are established, people are then assigned to teams or tasks. There may be different structures involved in the work plan that include hierarchy levels as well as interdependent team levels. For example, building a new factory needs a construction team, an administrative team and an engineering team. Each team has a leader that works with the other team leaders to ensure things move according to schedule and budget. Under each leader might be various other teams. The construction team might have a masonry team, an electrical team and a heavy machinery team.

- **Establish Project Timelines**

An old business adage is "time is money." When it comes to project management, this adage holds true in developing work plans. The longer it takes to finish a project, the more it costs in labor and materials. Additionally, the longer it takes to complete the project, the company suffers from opportunity cost. If that factory is not built by the end of the summer, the company might have to decline holiday orders because it isn't able to make them. Set timelines with milestones within those timelines that depict progress. If there are problems in meeting milestones, address them to get the project back on track.

- **Set Project Budget**

Setting the budget requires having the teams assigned and the timelines set. Often, businesses using third parties as part of the project, obtain bids for the tasks assigned. Developing the work plan budget uses these bids, internal numbers for labor and materials, as well as any contingency costs such as permits or legal fees. The project Quality Assurance and Control With objectives, milestone timelines and budgets set, a



project Work **plan**: Start by roughing out the work plan, then put it together when you've got All the parts laid out. You may need all these components for your work plan or May be just a few.

- The reality is, there is no hard rule on what composes a work plan. In the end, it's really about making things clear about what needs to get done, by whom, when and with what resources, to what end.
- Project Description: What are you doing? Summarize what the project is about and what or who it's for.
- Objectives: You may have short-, middle- and long-term objectives on the project. Understand what they are and what will be needed to attain success for each stage. Remember, business objectives should be SMART –specific, measurable, achievable, relevant and time- bound. So you'll need a clear objective that is definitely achievable in the time you have available, and it must be relevant to the big picture and have measurable criteria.
- Timelines: Some larger projects will be well-served by use of a detailed GANTT chart that clearly depicts what tasks need to be done in which order and by what time. In fact, GANTT charts can often comprise an entire work plan with the information contained in them.
- Team Members: Who's involved? What tasks have they been assigned? These are typically listed as responsibilities. As suggested earlier, some work plans can track team attendance as well, and when the project's timeline and each member's responsibilities are all incorporated, it can allow for pinch-hitting when crucial milestones are coming up.
- Resources: Getting tasks accomplished can take resources that may exist outside your typical budget or department. Understanding what's entailed means having these available to you with prior approval when they're needed. If it's people power from other departments, like the IT division or engineering, it'll be important to have these resource availabilities tied into the timeline so that valuable manpower isn't wasted by bad time management or not being ready for their input.
- Measurements: How will you rate success or failure on project milestones? It's important to set down what's considered a job well done so you and your team know what you're striving for. Perhaps it's approval from a manager, an acceptance vote from shareholders or simply



**Self-check-5****Written test**

**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

N°	Questions
1	A work plan often has duration of six to 8 months.
2	A work plan is an important tool that helps a project to assign task
3	An old business adage philosophy state that “time is money.

**Note: the satisfactory rating is as followed**

Satisfactory	3 points
Unsatisfactory	Below 2 points



### 6.1 Importance of constantly reviewing plans

Planning has tendency to make administration in flexible. Planning implies prior determination of policies, procedures and programs and a strict adherence to them in all circumstances.

- **There is no scope for individual freedom**

Successful people don't just know that they can accomplish something; they also know why they'll be able to accomplish. It is important that services are clear about the purpose of undertaking monitoring and reviews of individual plans. One of the key reasons is to identify and address any barriers to progressing goals, such as client health, insufficient strategies, and resource issues. It helps the company identify key roles and grow its talent to fill skills gaps. It is important that you regularly evaluate the plan to make sure that it is effective and to improve your processes in implementing it. This means evaluating the plan itself and determining the effectiveness of the learning activities within the plan. You want to know if you're learning objectives are being met

- **Recognizing the Advantages of Planning**

- ✓ Gives an organization a sense of direction
- ✓ Focuses attention on objectives and results.
- ✓ Establishes a basis for teamwork
- ✓ Helps anticipate problems and cope with change
- ✓ Provides guidelines for decision making
- ✓ Serves as a prerequisite to employing all other management functions.

**Self-check-6****Written test**

**Instruction: Follow the below selected instruction**

**Multiple choices**

N°	Questions
1	A learning and development plan acts as a road map for employees A. True B. false
2	Planning has tendency to make administration inflexible. A. True B. false
3	Which one of the following is advantages of planning? A. Gives an organization a sense of direction B. Establishes a basis for teamwork C. Provides guidelines for decision making D. all

**Note: the satisfactory rating is as followed**

Satisfactory	3 points
Unsatisfactory	Below 2 points



# **Solar PV System Installation and Maintenance**

**Level -IV**

## **Learning Guide-60**

<b>Unit of Competence</b>	<b>Manage and Maintain Small/ Medium Business Operations</b>
<b>Module Title</b>	<b>Managing and Maintaining Small/ Medium Business Operations</b>
<b>LG Code</b>	<b>EIS PIM4 M15 LO2-LG60</b>
<b>TTLM Code</b>	<b>EIS PIM4 0920v1</b>

**LO 2: Identify daily work  
requirements and Develop  
effective work habits**

**Instruction Sheet****Learning Guide -56**

This learning guide is developed to provide you the necessary information, knowledge, skills and attitude regarding the following content coverage and topics:-

- Basic concept of effective working culture
- different approaches to work culture
- identifying work requirements considering resources & constraints
- prioritizing Work activities on
- Business needs
- Requirements and deadlines.
- Allocating work to relevant staff or contractors
- Time management strategies
- Identified work and personal priorities
- seeking Inputs from internal and external sources
- Using inputs to develop and refine new ideas and approaches
- Responding to business or inquiries promptly and effectively.
- presenting Information in appropriate format

This guide will also assist you to attain the learning outcome stated in the cover page.

Specifically, upon completion of this Learning Guide, you will be able to:-

- Basic concept of effective working culture
- different approaches to work culture
- identify work requirements considering resources & constraints
- prioritize Work activities on
- Business needs
- Requirements and deadlines.
- Allocate work to relevant staff or contractors
- Time management strategies
- Identify work and personal priorities
- seek Inputs from internal and external sources
- Use inputs to develop and refine new ideas and approaches
- Respond to business or inquiries promptly and effectively.
- present Information in appropriate format



### **Learning Instructions:**

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2. Follow the instructions described below.
3. Read the information written in the information Sheets
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### 1.1 Basic concept of effective working culture

In a business sense, culture is defined as “the set of shared attitudes, values, goals and practices that characterizes an institution or organization.

- **Organizational culture:** Organizational culture is the shared basic assumptions, values, and beliefs of the members of the organization. Organizational culture theory involves beliefs, assumptions, and symbols organizational members that define the process in which a company conducts its business. Business managers use an effective organizational culture to influence performance and productivity. Organizational culture has the potential to influence the organization environment, work habits, performance, productivity, and profitability.

- **Corporate group**

A corporate group is a combination of two or more member companies with different business segments under a single corporate leadership.

- **Holding company:**

A holding company is a company with the power of control, governance, and leadership over legally independent other companies; the holding company wholly owns other companies to form a corporate group.

- **Strong and Weak Organizational Culture**

- ✓ A strong organizational culture, employees have similar views regarding

Business managers display a strong organizational culture to influence employees' work attitude and performance. because culture engages and motivates employees. In a strong organizational culture, the members of the organization share the values and goals of the organization, and new employees quickly adopt these values.

- ✓ In a strong organizational culture, employees and business managers have an excellent professional quality that contributes to performance improvement in the organization Professional quality contains respect and dignity between employees and managers, high commitment to customer services, and motivation and moral engagement to achieve organizational priorities.



✓ Strong organizational culture is important to motivate employees in the Organization Motivated employees are primary drivers to improve performance in organizations indicated that highly motivated employees might perform in the organization better than unmotivated employees.

- **Positive Organizational Culture**

- ✓ Business managers may develop and maintain a positive organizational culture to improve organizational performance and productivity in the organization.
- ✓ Study findings in the area of organizational culture showed that a positive Organizational culture as a functional culture in improving performance and productivity

- **Organizational Culture Effectiveness**

- ✓ The organizational culture literature contains information on how business managers use effective organizational culture to improve performance and productivity.
- ✓ Business managers believe that effective organizational culture is an asset, and ineffective culture is a liability for organizational success.

- **Work with and within your current cultural situations.**

Deeply embedded cultures cannot be replaced with simple upgrades, or even with major overhaul efforts. Nor can your culture be swapped out for a new one as though it were an operating system. To a degree, your current cultural situation just is what it is and it contains components that provide natural advantages to companies as well as components that may act as brakes. We've never seen a culture that is all bad, or one that is all good. To work with your culture effectively, therefore, you must understand it, recognize which traits are preeminent and consistent, and discern under what types of conditions these traits are likely to be a help or a hindrance. Put another way, there's both a yin and a yang to cultural traits.

- **Change behaviors, and mind-sets will follow.** It is a commonly held view that behavioral change follows mental shifts, as surely as night follows day.

- ✓ This is why organizations often try to change mind-sets (and





- ✓ Ultimately behavior) by communicating values and putting them in glossy brochures.
- ✓ This technique didn't work well for Enron, where accounting fraud and scandal were part of everyday practice, even as the company's espoused values of excellence, respect, integrity, and communication were carved into the marble floor of the atrium of its global headquarters in Houston. In reality, culture is much more a matter of doing than of saying. Trying to change a culture purely through top-down messaging, training and development programs, and identifiable cues seldom changes people's beliefs or behaviors. In fact, neuroscience research suggests that people act their way into believing rather than thinking their way into acting. Changes to key behaviors changes that are tangible, actionable, repeatable, observable, and measurable are thus a good place to start.

Some good examples of behavior change, which we've observed at a number of companies, relate to empowerment (reducing the number of approvals needed for decisions, collaboration setting up easy ways to convene joint projects, and interpersonal relations (devising mutually respectful practices for raising contentious issues or grievances

- **Focus on a critical few behaviors-** Conventional wisdom advocates a comprehensive approach everybody should change everything that's not perfect! But companies must be rigorously selective when it comes to picking behaviors. The key is to focus on what we call "the critical few," a small number of important behaviors that would have great impact if put into practice by a significant number of people. Discern a few things people do throughout the company that positively affect business performance — for example, ways of starting meetings or talking with customers. Make sure those are aligned with the company's overall strategy. Also check that people feel good about doing these things, so that you tap into emotional commitment. Then codify them: Translate those critical behaviors into simple, practical steps that people can take every day. Next, select groups of employees who are primed for these few behaviors, those who will respond strongly to the new behaviors and who are likely to implement and spread.



- **Deploy your authentic informal leaders.** Authority, which is conferred by a formal position, should not be confused with leadership. Leadership is a natural attribute, exercised and displayed informally without regard to title or position in the organizational chart. Because authentic informal leaders, who are found in every organization, are often not recognized as such, they are frequently overlooked and underused when it comes to driving culture.



Self-check-1	Written test
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

N°	Questions
1	The organizational culture literature contains information on how business use effective organizational culture.
2	Organizational culture means the collective behavior of humans who are part of that organization.
3	A small number of important behaviors that would have great impact if put into practice.

**Note: the satisfactory rating is as followed**

Satisfactory	3 points
Unsatisfactory	Below 2 points



## 2.1 Different Approaches to Work Culture

- Key Approaches to Organizational Culture Transformation

- ✓ Top-Team Alignment

When high-performing top teams work collaboratively, they achieve the best results for the organization. Too many top teams function as sole business owners reporting out performance metrics that align only with the strategy, not with other teams around them. This goes back to the mechanical model of organizational management. Organizations today are being asked to create solutions the world has never seen before at exponential rates. There's an up-leveling that needs to happen with top teams in order to function well under these demands. Organizations need a clear and powerful vision and mission/purpose that span across and integrate teams, with everyone moving in the same direction. They should strike a chord, hit you in the gut. They should be meaningful and relevant. Every member of your executive team should be reinforcing them in their communications.

- **Cultural Development Plan**

A cultural development plan begins with a baseline measurement. You need to know where you are and how your initiatives impact the culture over time.

- ✓ The culture plan should be developed in alignment with the organizational strategy. What kind of culture do you need to deliver on your strategic goals?
- ✓ The culture plan should be owned at the executive level with support from a culture Pick three to five key areas to focus on with clear, measurable objectives. Make clear
- ✓ Communicate about the key initiatives weekly. Make sure someone owns culture communications.

Celebrate quick wins and communicate progress toward stretch goals that take longer to achieve. Reward and recognize when people do things right. Remember social contagion? The positive vibes and gratitude spread quickly when they're sincere. This could work for you if your top team is aligned and committed to implementing whole systems change. People want to hear from two people in charge: the senior-most person in the organization and their own manager. You need the commitment of your to truly gain traction with a culture plan. You also need the infrastructure and commitment to involve people at all levels. This doesn't happen overnight, but small steps with genuine commitment create engagement.



### • Workflow Transformation Interaction Mapping

One of our publicly traded clients shared that, while their performance was high, they had horrendous attrition rates. A study by Boston Consulting Group identified that their employees were working at 150–200% capacity. HR was committed to providing the right resources if they were identified, but leaders weren't coming forward to ask for resources. The Chief Human Resources Officer was at a loss about what led to the culture of overdrive. In the employee engagement survey, one metric stood out: there was confusion about workload prioritization. We brought in a team that specialized in workflow transformation based on the work of Dr. Fernando Flores, who is recognized as a leader in the world of business process.

### • Emergent Design and Prototyping

Many of you may be familiar with, famous for helping teams to spur innovation. They popularized design thinking, a process for ideation and rapid prototyping focused on human-centered design. In short, it's designing for the people you are serving. Design thinking is about truly getting to know those we serve, showing up, asking questions, and paying attention. There are a number of emergent group processes being used.



<b>Self-check-2</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

<b>N°</b>	<b>Questions</b>
<b>1</b>	A cultural development plan begins with a baseline measurement. A. True B. False
<b>2</b>	Which One of from the following is called publicly traded clients shared Emergent Design and Prototyping B. Workflow Transformation Interaction Mapping Team Alignment D. None

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 1 points



### 3.1 Different approaches to work culture

The main purpose of identifying constraints is to consider alternative courses of work, counter measures, and proper strategies for better management.

- **Budgetary constraints**

In many developing countries, budgetary constraints are often very serious. The common phenomenon is an absolute insufficiency of funds. Another kind of constraint is the uncertainty of forthcoming funds even when the budget has been approved. It is not unusual that field workers start work, sign agreements, promise subsidies to farmers in order to complete a seasonal task, yet they have to wait embarrassingly to get the needed funds. It is also not uncommon that funds allocated for watershed work are diverted for unrelated fields.

These constraints can be both discouraging and damaging. Planners, therefore, should identify them with other problems during the planning stage and make every effort to ensure necessary budgeting and proper flow and use of funds.

- **Manpower constraints**

This is probably the most important constraint of all. A lack of funds can be solved by getting loans or grants from aid agencies or banks but work has to be done by people, especially people in the field. Without properly trained technical staff, any project will fail. To identify the needs of technical staff, the following factors must be considered:

- ✓ Numbers, levels, basic qualifications and sources of staff.
- ✓ Training needs including type of training and time schedule.
- ✓ Incentive needs for field staff especially for those stationed in remote areas.

- **Constraints relating to mobility and equipment**

In developing countries it is not unusual to see that many of the best trained technicians are kept in the office and do little field work due to lack of vehicles, per diem, or necessary equipment. This is a genuine waste of time and precious human resources. Watershed work is a field-oriented task. There is no substitute for field work regardless of how well the plan is prepared. The lack of vehicles in many countries has greatly hampered work



progress in the field. It is very difficult to transport instruments such as surveying levels and rods by bus or by other means of public transport. Besides, many upland watersheds Constraints in farmers' participation they may not sufficiently comprehend the objectives of watershed management. They may feel that the government is asking them to protect the watershed for the benefit of others (downstream people).

- ✓ Traditional practices, for example, shifting or slash and burn cultivation, may not easily be changed over a short period.
- ✓ A conservative attitude may tend to resist any innovative or drastic measures.
- ✓ Shortages of labor and capital may restrict them to participate in any improvement task.
- ✓ Their economic status may not allow them to take any risks.
- ✓ They may be more interested in getting quick returns from their lands than in conserving soils for future use.

Whatever the constraints, the planners should identify them clearly with the help of socio-economic surveys, rapid rural appraisal, etc. Solutions or strategies should be sought and necessary arrangements be made to alleviate these problems.

- **Policy constraints and others**

Serious policy constraints on land use and management should be brought to the attention of the government. For instance, lack of policy on encouragement or incentives for proper land use will result in difficulties in the land use adjustment previously described. Conflicting policy on use and management of various resources in a watershed may make implementation of watershed plans difficult. This with other institutional constraints should be well identified.

- **Management alternatives**

Management alternatives should be studied and prepared during the planning stage in order to:

- ✓ Provide alternative courses of action.
- ✓ Keep plans flexible to cope with unforeseeable changes.
- ✓ Give government an unbiased look at the problems and their solutions

The best time to consider alternatives is when the field survey data are being gathered and analyzed and the preliminary or interim report is being written.





- **Alternative work, costs and effects**

Whether there are any better alternatives than the proposed work in terms of cost and effect is always a challenge to planners. Such alternatives may include a different approach, different kinds of work, changes of time schedule, location, etc.

- **Technological alternatives and research**

Research which identifies ways in which better results or lower costs can be achieved may support the adoption of technical alternatives. For instance, in soil conservation work, hillside ditches, a series of narrow and discontinuous benches, have been effective in erosion control (reducing erosion about 80 percent), requiring only one-fifth of the investment compared to bench terraces (which reduce erosion 90 to 95 percent). Unless farmers contemplate irrigation and mechanization which necessitate bench terraces, hillside ditches can be a valid technical alternative in protecting cultivated slopes.



Self-check-3	Written test
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**Instruction: Follow the below selected instruction**

**Multiple choice**

N°	Questions
1	The main purpose of identifying constraints is to consider alternative courses of Work. A. True B. False
2	The most important constraint of all constraints is manpower A. True B. False
3	One of the Following is basics of management alternatives? A. Provide alternative courses of action B. Give government an unbiased look at the problems and their solutions C. Give government an unbiased look at the problems and their solutions all

**Note: the satisfactory rating is as followed**

Satisfactory	3 points
Unsatisfactory	Below 1 points



Information Sheet-4	prioritizing Work activities on
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#### 4.1 Seven strategies for prioritizing tasks at work

Thoughtful prioritization typically involves creating an agenda, evaluating tasks, and allocating time and work to bring the most value in a short amount of time. Prioritization should be flexible, as you may need to interrupt low-priority tasks for urgent must-dos.

- **Have a list that contains all tasks in one**

Effective prioritization comes from understanding the full scope of what you need to get done even the most mundane tasks should be written down and considered. To give yourself a complete picture, it's a good idea to include both personal and workday tasks in a single task list. Everything from picking up your dry cleaning to scheduling a one-on-one meeting with your boss should be captured in the same place. Once everything is written down, prioritization typically happens according to the importance, urgency, length, and reward of each task.

- **Identify what's important: Understanding your true goals**

While it might seem like an immediate time management strategy, prioritization is key in achieving long-term goals. Understanding what you're really working toward—be it a promotion, a finished project, or a career change helps you identify the tasks most pertinent to those future outcomes. It can be a good idea to break these larger goals into smaller, time-related goals. For example, a yearly goal can be deconstructed into monthly to-do lists, which then lead to weekly tasks, daily priorities, etc.

- **Highlight what's urgent**

Your to-do list should provide full visibility of deadlines, helping you to identify which tasks must be completed promptly and to plan ahead according to future deadlines.

Creating deadlines even when they're not formally required is also important; otherwise, you will continue pushing back important tasks simply because they aren't time-sensitive. (This strategy can also be helpful in increasing productivity and reducing procrastination.)

- **Prioritize based on importance and urgency**

Highly Effective People, businessman and keynote speaker Stephen Covey suggests tasks should be categorized (and then prioritized) according to importance and urgency.

- ✓ Urgent and important: These tasks should be done first



### •Avoid competing priorities

When the tasks you're working on aren't particularly difficult, it's relatively easy to manage them in tandem. However, as difficulty increases, research shows people who are in positions of power are more likely to prioritize a single goal, whereas people in low-powered positions will continue to try and manage multiple priorities. This dual-task strategy has been linked to a decline in performance, which means the most important tasks aren't fulfilled to the highest standard. A tactic for staying focused on one important task at a time is identifying likely distractions—concurrent tasks or ad-hoc requests—and actively avoiding them throughout the day. This means if you're tasked with pulling data for a project at the same time you're creating slides for a presentation, you should prioritize one task and avoid any work, emails, messages, or preparation related to the other.

### •Consider effort

When staring at a long to-do list, it's easy to become overwhelmed by the work that needs doing—a feeling that reduces productivity and leads to procrastination. A strategy to overcome this involves evaluating tasks according to the effort required to complete them. If your to-do list is becoming too burdensome, prioritize those tasks that require minimal time and effort and move through them quickly. This clearing of tasks will give you some breathing space and generate a sense of accomplishment to propel you throughout the day.

### •Review constantly and be realistic

One of the steps in the five-step “Get Things Done” (GTD) methodology from productivity consultant David Allen involves critical reflection. Frequently reviewing your task list and priorities is key in “regaining control and focus”, Allen argues

### •Quick tips for effective prioritization

As you realize the necessity of proper prioritization, it can suddenly feel more complicated—and more stress-inducing—than creating a simple task list. The key strategies mentioned above are summarized below, to help you set your priorities with intention.

- ✓ Write everything down: Personal and work tasks should be captured in one place.
- ✓ Evaluate long-term goals: Consider your larger long-term goals, and the work you need to do to reach them.



- ✓ Break down larger goals: To understand how to achieve your long-term goals, break them down into yearly, monthly, and weekly achievements.
- ✓ Create clear deadlines: Give yourself full visibility of deadlines, and create deadlines for yourself when none are formally required.
- ✓ Employ the urgent-versus-important method: Prioritize urgent and important tasks; set a specific time to work on important non urgent tasks; and delegate or remove all other tasks.
- ✓ Create a daily MIT list: Write down three important tasks that should be done that day. These tasks should always relate to your larger, future goals.
- ✓ Avoid distractions: Intentionally steer clear of competing tasks, especially as task difficulty increases.
- ✓ Consider effort: When your task list is becoming too much, prioritize according to effort and breeze through those easier tasks more quickly.

#### •Prioritize your time and be realistic

No matter how well you prioritize, there is only so much you can achieve in one day, and certain distractions are impossible to avoid. It's important to be realistic in setting goals and prioritizing tasks. Otherwise, you'll create false expectations of those around you, and you'll constantly feel as if you're falling behind. Remember, the purpose of prioritization is to spend time working on the important tasks, those things that will make a difference in the long run and move you in the right direction. When prioritization is handled well, you'll feel less reactive and more focused and intentional. The aim is to complete work that signifies true progress, and let all the rest—all the “busyness”—fall to the wayside.



<b>Self-check-4</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

<b>N°</b>	<b>Questions</b>
<b>1</b>	The main purpose of identifying constraints is to consider alternative courses of Work.
<b>2</b>	The most important constraint of all constraints is manpower.

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 1 points



### 5.1 Business needs

The business need is one of the most fundamental aspects of business analysis. Defining a business need is a vital component of activity known as enterprise analysis. This includes understanding and identifying the goal of an organization, while articulating a strategic direction. Moreover, you should capture any vital concerns regarding a company's success, problems, or challenges.

- a. Which goals or objectives are getting serviced in certain areas?
- b. What are the desired outcomes or results?
- c. What are some problems or issues that need to be addressed?
- d. What answers are being considered or suggested regarding adoption or implementation to fulfill business needs?

- **Requirement Definition**

A requirement is a capability or condition required by stakeholders to answer problems or achieve objectives. A need is a quality determination of the mandate that's needed. The requirements are what's necessary to be completed to achieve goals and needs. Needs are quality mandates that are separated into low-level and detailed mandates.

- **Project Goals**

The purpose of a project is to elicit and analyze requirements. When you identify why a system is created, including what a business requires, you can ask pertinent questions when eliciting and prioritizing mandates. Also, it will aid in getting rid of mandates that fail to fulfill a need. For instance, you are building a call center system for a department which permits you to capture consumer information. You are satisfying a need to help marketing teams reach potential customers to turn them into paying customers. The primary reason why smaller businesses fail is due to a lack of profits and cash. Therefore, you have to have a solid cash plan in place and understand the operations within your business that determine cash flow. You stand a better chance of success by tracking such data as closely as possible. You must develop a financial and strategic plan to cover such data regularly instead of drafting. Business needs pertain to the requirements of a public or private organization to run efficiently. Such needs can pertain to the following:

- ✓ Auditing and maintenance of records



- ✓ Recording transactions and material activities
- ✓ Proper access to all records
- ✓ In addition, you should be aware of three essential elements when it comes to business needs:
- ✓ Business Objectives and Goals: This involves a group and how they seek to achieve goals. The goals could be long-term, including qualitative statements.
- ✓ Business Opportunity or Problem: This is the main problem that would need remedied in some way.
- ✓ Desired Outcome: It is not a solution, but a situation that determines benefits that result from meeting a business need.

This refers to the statements that show various services, such as:

- Delivering products
- Helping others
- Ensuring the effectiveness of business operations

Moreover, you must consider improvement needs, which are designed to enhance efficiency within your organization or lower costs.

- **Things Every Small Business Needs To Do**

- ✓ You need to manage your cash
- ✓ You need to develop a data-based culture
- ✓ You need to engage in Lean Planning
- ✓ You need to understand your margins on all your products and services.

- **To serve needs effectively, business analysts must articulate**

- ✓ What objectives or goals are being served or attempted in specific business area(s)
- ✓ What results or outcomes are desired
- ✓ What issues or problems are getting in the way
- ✓ What solutions are being suggested or considered for implementation or adoption in order to get the business needs met





**Figure 1 Leader ship**

**Self-check-5****Written test**

**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong

N°	Questions
1	The primary reason why smaller businesses fail is due to a lack of profits and Cash.
2	All components of work are tied to business needs.
3	The highest levels of business objectives are: A. Delivering products B. Helping others C. Ensuring the effectiveness of business operations D. all
4	Which one of the following are not characteristics of a good leader? A. motivation B. communication C. contribution D. all of the above

**Note: the satisfactory rating is as followed**

Satisfactory	4 points
Unsatisfactory	Below 2 points



## 6.1 Requirements and deadlines

In most state, businesses must file an annual or biennial report. You'll need to prepare and send this report to the state government entity that manages business administration, which is normally the secretary of state. You must file a report to remain in good standing; if you don't file one, your business could be dissolved.

- **What information is included in an Annual Report?**

It varies from state to state, but typically includes any changes to:

- ✓ The management structure of the business (like managers, members or directors)
- ✓ The names or addresses of senior people in your business
- ✓ Your business name or address
- ✓ Your registered agent details
- ✓ Main business activities
- ✓ Share structures or amounts
- ✓ Other authorized signatories
- ✓ Some other areas

- **Business Planning Definitions**

**A plan-** a statement of intent - a calculated intention to organize effort and resource to achieve an outcome - in this context a plan is in written form, comprising explanation, justification and relevant numerical and financial statistical data. In a business context a plan's numerical data - costs and revenues - are normally scheduled over at least one trading year, broken down weekly, monthly quarterly and cumulatively.

**A business-** an activity or entity, irrespective of size and autonomy, which is engaged in an activity, normally the provision of products and/or services, to produce commercial gain, extending to non-commercial organizations whose aim may or may not be profit (hence why **public service** sector schools and hospitals are in this context referred to as 'businesses').

**business plan-** this is now rightly a very general and flexible term, applicable to the planned activities and aims of any entity, individual group or organization where effort is being converted into results, for example: a small company; a large company; a corner shop; a local window-cleaning business; a regional business; a multi-million pound multi-



national corporation; a charity; a school a hospital; a local council; a government agency or department; a joint-venture; a project within a business or department; a business unit, division, or department within another organization or company, a profit center or cost center within an .Organization or business; the responsibility of a team.

- **strategy-** originally a military term, in a business planning context strategy/strategic means/pertains to why and how the plan will work, in relation to all factors of influence upon the business entity and activity, particularly including competitors (thus the use of a military combative term), customers and demographics, technology and communications.

- **marketing-** believed by many to mean the same as advertising or sales promotion, marketing actually means and covers everything from company culture and positioning, through market research, new business/product development, advertising and promotion, PR (public/press relations), and arguably all of the sales functions as well. Marketing is the process by which a business decides what it will sell, to whom, when and how, and then does

- **Marketing plan-** logically a plan which details what a business will sell, to whom, when and how, implicitly including the business/marketing strategy. The extent to which financial and commercial numerical data is included depends on the needs of the business. The extent to which this details the sales plan also depends on the needs of the business.

- **Sales:** the transactions between the business and its customers whereby services and/or products are provided in return for payment. A sale (sales department/sales team) also describes the activities and resources that enable this process, and sales also describe the revenues that the business derives from the sales activities. Sales plan- a plan describing, quantifying and phased over time, how the sales will be made and to whom. Some organizations interpret this to be the same as a business plan or a marketing plan.

**Self-check-6****Written test**

**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong

N°	Questions
1	The transactions between the business and its customers whereby services And/or products is called marketing plan.
2	An activity or entity, irrespective of size and autonomy is called business plan.
3	Logically a plan which details what a business will sell is called promotion.
4	Originally a military term Which one is? A. policy B. Strategy C. principle D. plan

**Note: the satisfactory rating is as followed**

Satisfactory	Above 4 points
Unsatisfactory	Below 2 points



## 7.1 Allocating work to relevant staff or contractors

- **Resource allocation definition**

Resource allocation part art, part science as some call it—is recognizing the best available resources for the project, assigning them to your team and monitoring their workload throughout the work, and re-assigning resources if needed. “In project management, resource allocation or resource management is the scheduling of activities and the resources required by those activities while taking into consideration both the resource availability and the project time”

Proper allocation of resources increases the effective use of resources available across the company to maximize their utility. Resource allocation helps you to choose the best available resources for your projects and manage them throughout the work, so you can avoid under or over utilization of your employees. Sadly, not all project managers use it to their advantage.

- **Common challenges of resource allocation**

Resource management is prone to several challenges that you need to be aware of to properly allocate resources and manage them throughout the project.

- **Client changes**

As a project manager you might have already experienced how changes to the scope, time line or budget can affect project delivery. With resource allocation it's actually the same – having an up-to-date resource calendar will help you to smoothly adjust resources once the changes appear.

- **Availability of resources**

Starting off a new project, ideally you could use any resources you need that are available at your company. But what if your agency is running multiple projects and you have to negotiate over the same resources with another PMs? Or what if a given team member is out on their sick leave? Availability changes and you have to monitor it all the time to spot threats to your project's deliver



- **Priorities across the company**

If your company runs multiple projects simultaneously, you and your peers may have to share limited resources, very often in a similar timeframe. But even if you manage to negotiate over resources you both need, there may be a change in priorities regarding one of the projects.

- **Resource allocation in project management: how to allocate resources**

- ✓ **Know the project and the team**

Only knowing the scope and resources available at your company, you can properly assign team members to your project. Start by creating a high level plan of the project, consisting of its requirements and deliverables. Then, as you know exactly whom you will need to complete the project, you can use a skills matrix to discover which employees at your company to involve.

- ✓ **Uncover risks early on**

We've talked about it a bit in the challenges section. As a project manager you are well aware of risks like client reviews, delays, personal emergencies, competing projects, etc. They interfere with allocation of resources, too.

Once one of the above-mentioned challenges occurs, you need to adjust your bookings. Having a high-level overview of resources at your organization will help you find other resources more quickly, re-allocate resources, extend or cut existing bookings, or even delete some if needed.

- **Keep track of the project**

Remember how resource allocation is about improving the effectiveness of your team's utility? Now is the time to check how your team is doing. You can do it by measuring resource utilization. Start with tracking the time and workload. You can easily spot employees with too much or too little (which can also be an issue) to do. Remember the availability bar? Overtime is marked with red color, while the unutilized time is white.

### **Resource utilization = Busy time / Available time**

This way you can quickly find out whether your team is booked to their full potential, During the project it's also recommended to compare estimates with actual once in a while, and re-allocate resources if you need to. Chances are that because of some





changes you need to adjust bookings to avoid under or overutilization of your resources, Analyze the project and to meet project's requirements. Setting up regular check-ins with your team will help you to spot these threats, too.

As a project manager, you may also be responsible for tracking your project's budget. You can do it based on your team's timesheets; multiplying the number of hours they've spent on the project by the rate you charge your client per hour. Again, by comparing estimates with actual, you can see if you're on the budget, or not. Using the data you'd gathered during past projects will give you a huge advantage. Based on that data, you will be able to better plan and manage your future projects. Having a tool with custom reports helps a lot, as you can then organize that data to calculate different metrics, like employee payroll or sales

- **5 Keys to Successfully Allocating Work across Your Team**

- ✓ **Priority**

Consider the work's priority. Priority needs to drive everything. If you've been rigorous in your prioritization process, start at the top of the list and begin allocating work from there. That list should be based on the team's and the organization's goals. This has to be the first consideration in terms of how you distribute work. If a project is a top priority and somebody is available to do that work, they should be tasked with that work.

- ✓ **Skill Sets**

Evaluate the skill set of the people who you're thinking about distributing the work to. If they have the right skill set, you're going to get a high quality result. The end product will be something that meets your customer's needs. This also reduces the likelihood of people failing because you're not giving them work that they don't have the skill set to perform. You're giving them something they can be successful with.

- **Availability**

The next consideration for allocating work is a person's availability. All things being equal in terms of priority and skill set, who is free to do the work? Who has the bandwidth? You should not be shifting resources from one project to another when you have available resources to pick up that new project. If you start shifting resources around between projects when you have available resources elsewhere, you're going to lose momentum on





that first project and that project might fail. Additionally, the people who are on the project are going to be very frustrated. They had the resources they needed and all of a sudden they don't. It's going to seem like it was at a whim to just move somebody around. The person who will be most frustrated is the person who has the resource taken off the project they're succeeding on and put onto something new.

- **Development**

You should be constantly upgrading your team's skill set. A way to do that is to give them new work where they're going to learn new skills. Put them in situations where they're going to be a little bit uncomfortable. Give them projects where they're going to have to step up and learn, be taught, and be open to feedback and coaching. That's how you're going to take your team to the next level of performance.

- **Interest**

The last consideration in terms of which person gets the work when it needs to be allocated is does somebody have an interest in performing that particular task? If someone is really interested and passionate about a project, you should let them take it on. They're going to be motivated, excited to do it, and hopefully their performance will follow. One caveat here – make sure people don't only gravitate to the work they enjoy doing and they stay away from things that they're not comfortable with. If you let that happen, they're going to end up getting pigeonholed and they'll be very narrow in their focus.



Self-check-7	Written test
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

N°	Questions
1	Proper allocation of resources increases the effective use of resources available across the company to maximize their utility.
2	This has to be the first consideration in terms of how you distribute work is called Priority.
3	Priority needs to drive everything in our day today activities. This is probably the most important constraint of all

**Note: the satisfactory rating is as followed**

Satisfactory	Above 2 points
Unsatisfactory	Below 2 points



### 8.1 Time management strategies

Generally speaking, time management is how we use the time we have to reach our goals or finish the tasks we've been assigned to efficiently. "Time management is the process of planning and exercising conscious control of time spent on specific activities, especially to increase effectiveness, efficiency or productivity." The term Time Management is a misnomer. You cannot manage time; you manage the events in your life in relation to time. You may often wish for more time but you only get 24 hours, 1,440 minutes or 86,400 seconds each day. How you use that time depends on skills learned through self-analysis, planning, evaluation, and self-control.

Much like money, time is both valuable and limited: it must be protected, used wisely, and budgeted. People who practice good time management techniques often find that they:

- a. Are more productive,
- b. Have more energy for things they need to accomplish,
- c. Feel less stressed,
- d. Are able to do the things they want,
- e. Get more things done,
- f. Relate more positively to others, and
- g. Feel better about themselves

Finding a time management strategy that works best for you depends on your personality, ability to self-motivate and level of self-discipline. By incorporating some, or all of the ten strategies below, you can more effectively manage your time.

- **Time management strategies**

- ✓ **Plan your work ahead**

Knowing what you want to accomplish in a specified timeframe already sets you up for success, success is closely linked to both project and cost efficiency. It means that quality planning can not only increase the chance that the project will be completed successfully, but it will also be cost-effective. So how much planning is "quality planning"? Planning your daily tasks may be as simple as creating a to-do list consisting of must-haves and want-to-haves.



✓ **Set clear priorities:** To make it manageable, it's better to divide your to-do list into smaller chunks. Setting clear priorities will help you order your tasks according to their importance, urgency and effort needed to accomplish them. To distinguish important and urgent tasks from your to-do list, you may use the Eisenhower Matrix. It's a productivity tool with a clear focus of organizing your tasks into four categories:

- Important and urgent– these are the tasks you should do first
- Important but not urgent– tasks you can schedule to do later
- Not important but urgent– if possible, you may delegate these tasks
- Not important and not urgent– you can skip tasks falling into this category.

✓ **Focus on one task at a time**

While some praise multitasking, it appears to make more harm than good. According to the article on perils of multi-tasking published on Entrepreneur, doing several tasks at once is ineffective and inefficient

✓ **Set yourself shorter deadlines**

Ever felt like the more time you have for a given task, the bigger the chance that you'll procrastinate instead of using that time to get things done earlier?

**Self ccheck-8****Written test**

**Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answer sheet provided in the next page:

**Matching**

1. Important and urgent	A. Tasks you can schedule to do later. B. these are the tasks you should do first C. you may delegate these tasks D. you can skip tasks falling into this category E. Set yourself shorter deadlines
2. Important but not urgent	
3. Not important but urgent	
4. Not important and not urgent	

Satisfactory	4 points
Unsatisfactory	Below 2 points



### 9.1 Identified work and personal prior

Managing your personal work priorities is at the core of being effective in the workplace.

- **Top manage work priorities**

- ✓ Step back and look at the bigger picture
- ✓ Establish your priorities.
- ✓ Allocate your time to the tasks that matter
- ✓ Plan your weeks and daily task lists
- ✓ Manage your emails.
- ✓ Minimize distractions and interruptions
- ✓ Don't procrastinate

- **Step back and look at the bigger picture**

Good managers are required to step out of detail and look at the bigger picture. Sometimes it helps to go back to the basics and read your position description have a look at the organization chart to remind yourself exactly what you were hired to do, and as a result, what your priorities should be.

- **Establish your priorities.**

Categorized your tasks by Importance and Urgency. This will enable you to decide which matters regard your direct attention, which matters you should delegate, which tasks you could postpone and which tasks you can dump. Importance is the first factor of establishing priorities. Urgency is second.

- **Allocate your time to the tasks that matter.**

The Pareto Principle, or the 80/20 rules, suggests that 20% of your efforts produce 80% of your results. Before you begin a task ask yourself the question, "What will the outcome be?". Then you can try and avoid the time wasters. Record a time log for 3 days and monitor exactly what you're spending your time on. What time was spent on important or urgent tasks?



- **Plan your weeks and daily task lists.**

Effective time management starts with good planning, so plan your weeks and days, not at the beginning of the day, allocate time on Friday afternoon to plan the week ahead. Daily tasks should be planned the evening prior to avoid distractions which often occur first thing in the morning. Create to do lists, whether paper based or electronic. There are also some great applications for smart phones and tablets the manage your tasks; some are outlined here in our article 6 More Apps to Help You Study and Be More Productive.

- **Manage your emails**

Effective management of emails can have a big impact on freeing up your time. Turn off pop-up notification emails; allocate specific times during the day to check and respond to emails; set-up automatic rules to file unimportant emails.

- **Minimize distractions and interruptions.**

Avoid unnecessary meetings and set boundaries for staff so you're not being continually interrupted. Learn how to say no (where appropriate).

- **Don't procrastinate**

For your most important tasks, allocate these to be done first thing in the morning, and complete them prior to checking email to avoid distractions. Inform your staff that you have a busy morning and would prefer no interruptions unless necessary.

- **Keep your work space clean and organized**

If your files and desk are well organized, it's going to be much quicker to find what you need and will save you time in the long run. Allocate 1/2 an hour each week to do a quick tidy-up and some filing to maintain your clean workspace.



<b>Self-Self-Check-9</b>	<b>Written Test</b>
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**Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answer sheet provided in the next page:

### Matching

N <sup>o</sup>		
1	Establish your priorities	A. files and desk are well organized B. Top manage work priorities C. Avoid unnecessary meetings D. Effective time management
2	Keep your work space clean	
3	distractions and interruptions	
4	weeks and daily task lists	

Satisfactory	4 points
Unsatisfactory	Below 2 points





### 10.1 Seeking Inputs from internal and external sources

Stake holder is a person who has something to gain or lose through the outcomes of a planning process, programmer or project. Stakeholder Engagement is the process of effectively eliciting stakeholders' views on their relationship with the organization project. Stakeholder Analysis is a technique used to identify and assess the influence and importance of key people, groups of people, or organizations that may significantly impact the success of your activity or project. Stakeholder Management is essentially stakeholder relationship management as it is the relationship and not the actual stakeholder groups that are managed. The following questions are designed to reveal the stakes as well as help to identify the right people to involve in any particular situation.

- a. Who holds official positions relevant to what you are doing?
- b. Who runs organizations with relevant interests?
- c. Who has been involved in any similar situations in the past?
- d. Whose names come up regularly when you are discussing this subject?

- **Assess the nature of each stakeholder's influence and importance**

It is important to understand that individuals and groups behave differently in different situations. The impact stakeholders can have on organizational policy, strategy, and project is dependent on their relationship to either the organization itself or the issues of concern, or both. Influence and importance is always in relation to the objectives you are seeking to achieve.

- **Influence:**

simply refers to how powerful a stakeholder is in terms of influencing direction of the project and outcomes.

- **Importance:**

simply refers to those stakeholders whose problems, needs and interests are priority for an organization. If these important stakeholders are not assessed effectively then the project cannot be deemed a success. Here are some examples of types of direct influence:

- ✓ legal hierarchy (command control of budgets)
- ✓ authority of leadership (charismatic, political)
- ✓ control of strategic resources (suppliers of services or other inputs)
- ✓ possession of specialist knowledge
- ✓ Negotiation position (strength in relation to other stakeholders)

Indirect influence may also be achieved through:

- ✓ social, economic or political in status
- ✓ varying degrees of organization and consensus in groups
- ✓ ability to influence the control of strategic resources significant to the project
- ✓ informal influence through links with other groups
- ✓ Other stakeholders in assessing their importance to the project issues.

The following list of internal and external stakeholders differences

**Table: 1: basic difference b/n internal and external stakeholders**

internal Stakeholders	External Stakeholders
<ul style="list-style-type: none"> <li>✓ Director of Public Health</li> <li>✓ Head of Health Intelligence and Information</li> <li>✓ Procurement</li> <li>✓ Director of Nursing</li> <li>✓ Public Health Strategists</li> <li>✓ Public Health Management Analyst</li> <li>✓ Director of Programmers and Services</li> <li>✓ Research Scientist</li> <li>✓ Communications</li> <li>✓ Environmental Health Intelligence Analyst</li> <li>✓ Public Health Manager</li> <li>✓ Trustees</li> <li>✓ Board committee members</li> </ul>	<ul style="list-style-type: none"> <li>✓ Local Authority/council</li> <li>✓ Providers</li> <li>✓ Acute trusts</li> <li>✓ Patients</li> <li>✓ Service users</li> <li>✓ Customers</li> <li>✓ Suppliers</li> <li>✓ Funders</li> <li>✓ Quality assessors</li> <li>✓ Link group</li> <li>✓ Special interest groups</li> <li>✓ Health visitors/school nurses</li> <li>✓ Wider public health workforce</li> <li>✓ Media</li> </ul>



Self-Check-10	Written Test
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Answer all the questions listed below. Use the Answer sheet provided in the next page:

**Instruction: Follow the below selected instruction**

The following are true or false items, write true if the statement is true and write false if the Statement is false.

N°	Questions and answers
1	Stake holder is a person who has something to gain or lose through the outcomes of a planning process, programmer or project.
2	Stakeholder Analysis is a technique used to identify and assess the influence and importance of key people.

**Note: the satisfactory rating is as followed**

Satisfactory	Above 2 points
Unsatisfact	Below1points



Information Sheet-11	Using inputs to develop and refine new ideas and approaches
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### 11.1 Using inputs to develop and refine new ideas and approaches

Creativity; Creativity is Ubiquitous. The “Creativity at work” blog says Creativity is the act of turning new and imaginative ideas into reality. Wikipedia on Creativity says that Creativity is a phenomenon whereby something new or somehow valuable is formed. The created item is usually in tangible Brian Clegg and Paul Birch write in their book “Instant creativity” that Creativity is elusive. There is an “artistic creativity” which involves writing a book or producing a piece of music and then there is the “creativity of discovery”, here we discover or invent new products and things and then finally there is the “creativity of Humor” which involves seeing the world differently. From the perspective of organizational, business or work challenges, creativity or solving with creative ideas usually involves all the three aspects of creativity.

- **Practical challenges for having creative ideas**

From an organizational or a business context, creativity is not a fancy nice to have featured anymore. In fact, without it very few companies would have survived today. When solving our work challenges, without a creative idea, we would be looking at the same problem day in and day out, without viewing it from a different frame of mind. Old problems would still remain. The question may not be clear in the beginning. But after a series of “How to” questioning or questions, something begins to emerge.

- ✓ New pathways
- ✓ Event triggers
- ✓ No action taken
- ✓ Read articles and stories

Moving from being a micromanaging small business owner to an empowering team leader is a journey. Innovation is often associated with the introduction of new products or services in your business. But it can also be about changing the way you do business.

To be successful, innovation will need to be supported by you, your staff and all other business partners.



- Innovation embraces:
  - ✓ new uses of technologies
  - ✓ improved industry methods
  - ✓ meeting changing customer demands or needs
  - ✓ Better systems and processes.
- Some of the other benefits include:
  - ✓ increased competitiveness– higher efficiency with lower costs and higher quality products
  - ✓ more efficient use of all resources
  - ✓ improved staff retention– staff like to work in innovative and challenging jobs that promote team work and problem solving
  - ✓ proactive approach to business– your business model is continually matching changing conditions
  - ✓ Greater attraction of new customers by improving existing, or offering new, products or services or entering new markets.

Your approach to innovation will be driven by your business strategy, capability, market understanding and commitment to the process. Often, these processes will add capacity to your business with little or no additional costs. Your business competitiveness and survival is directly linked to your ability to innovate.

- **Engage your employees in innovation**

Your employees are one of your most productive assets in your business. By creating an environment within your business that encourages innovative thinking and action, you'll inspire your employees to share their knowledge, experience, skills, suggestions and recommendations. Here are ten different ways you can look to create an innovative environment in your business:

- I. Encourage an innovation culture**

There should be recognition in your workplace that not trying anything new is often the biggest risk. So encourage your employees to:

- ✓ be honest and open
- ✓ share ideas
- ✓ Explore initiatives without fear of retribution.



## **II. Hire people with different perspectives**

### **✓ Look for employees who:**

- understand your vision
- align with your culture –but aren't necessarily the same as you
- may have different perspectives
- come from diverse backgrounds
- have passions

## **III. Lead by example**

Be open and approachable to new ideas. Many large companies often provided allocated time for their employees to break from routine roles to inspire new thoughts – this could be an employee retreat, allocated time each day or a day out of the office.

Encourage every one of your employees to share new ideas, and provide support, for example by setting up:

- ✓ meetings
- ✓ suggestion boxes
- ✓ suggestion area on the internal intranet
- ✓ Dedicated times and/or rooms.

## **IV. Have a process**

Ensure there's a process which everyone understands for assessing each new idea. Employees will be encouraged to make suggestions and recommendations if they're confident the idea will be appropriately considered. This must be supported by acknowledgement and feedback in a timely manner.

## **V. Implement quickly**

Where possible, implement employee's ideas and suggestions quickly. When employees see they're influencing the direction of the business, they'll be extremely motivated to continue to share ideas, work towards the success of the idea and encourage productivity of other employees.

## **VI. Reward employees**

Even if the idea is not implemented, the employees should be encouraged to suggest all ideas. Rewards can be for individuals or even teams or for the whole workforce – the



important thing is that employees see that you appreciate their efforts to improve the business.

## **VII. Create opportunities**

### **✓ Create work practices to encourage new initiatives:**

- Have regular job swaps that foster new perspectives from different employees.
- Develop cross functional teams (employees from different parts of the business) to brainstorm improvements to processes and other areas of the business.
- Introduce new ideas or "what if?" section to regular meetings.

## **VIII. Create a collaboration space**

Provide a dedicated area that will promote interaction with employees. Often informal discussions lead to improved employee relationship and trust, which embraces collaboration that can ultimately lead to innovation. Large companies often have open spaces where employees can sit and chat in a relaxing environment.

## **IX. Offer training**

Offer training to employees that will inspire new thoughts and approaches to the business. They'll gain additional experience and the business will benefit from possible new ideas and approaches your employee has learned.

## **X. Invest in resources**

Innovation is an investment in the future of your business – not an everyday expense –so allocates appropriate resources to innovation in your business, and includes:

- ✓ appropriate time
- ✓ finances
- ✓ employee support

**Self-check-11****Written test****Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answer sheet provided in the next page:

**Multiple choices**

N°	Questions
1	What are the advantages of the Innovation embraces A. improved industry methods B. Better systems and processes C. new uses of technologies D. all of the above
2	Which one of the following is benefits of innovation? A. increased competitiveness B. more efficient use of all resources C. Greater attraction of new customers by improving existing D. all
3	Be open and approachable to new idea is one of the most input for creativity. A. True B. False

Satisfactory	3 points
Unsatisfactory	Below 2 points





<b>Information Sheet-12</b>	<b>Responding to business or inquiries promptly and effectively</b>
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### 12.1 Responding to business or inquiries promptly and effectively

Responding to a customer in a prompt and professional manner is very important for many reasons. Companies rely on their customers to keep a business running smoothly and profitable. In order to keep customers satisfied, they expect their concerns to be handled professionally, effectively and swiftly. This is why it is very important to respond to customers request in a prompt and professional manner.

- **When dealing with customers online or by phone, try asking yourself these questions?**
  - ✓ If a customer leaves a message for an employee, what are the expectations in terms of how much time can elapse before calling him/her back?
  - ✓ What are the policies regarding responding to customers?
  - ✓ How much training have employees had with regard to responding to customers in terms of time management, prioritization of customer issues and dealing with difficult or angry customers?
  - ✓ How well do employees understand the company's products/services, its policies and what the next level or step in problem resolution is?
- **tips on responding to customer complaints:**
  - ✓ listen to the customer's experience in its entirety
  - ✓ apologize
  - ✓ focus on the solution
  - ✓ don't rush the customer
  - ✓ find complaints before they find you

Customer complaints are timeless. No matter the size, nature, or success of your business, you'll always have at least a small percentage of people who aren't happy with what you do. The idea that you can't please everyone is as true today as it was a century ago. Since a customer service makes the backbone of any successful business, you can't afford to turn

**Self-Check-12****Written Test****Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answer sheet provided in the next page:

Write true if the statement is correct and write false if the statement is wrong.

N°	Questions?
1	Customer complaints are timeless Which means the customer needs immediate Response. A. True B. False
2	Customer service in businesses has schemes they pursue to make it efficient. A. True B. False

Satisfactory	2 points
Unsatisfactory	Below 1 points



### 13.1 Presenting Information in appropriate format

The designing technique of white board is different and it requires special software to design whiteboard presentation. It is not popularly known but whiteboard animation finds its application in explaining the concept, short stories, general process. It is particularly a good platform when you don't have input data i.e. images and videos. The whole whiteboard video is prepared with library images which are a symbolic representation of the topic or subject. Many start-ups are the fan of this whiteboard presentation format as this helps them to explain the concept.

- **Parameters for choosing Presentation format**

- ✓ Complexity
- ✓ Delivery mode ( Face to Face/remote)
- ✓ Self-explanatory or with an explanation
- ✓ Interactive or running
- ✓ Audience type
- ✓ The subject of presentation ( Complexity )
- ✓ Voice over or without voice
- ✓ Costing or budget for presentation

- **The complexity of the subject:**

Your agency may suggest a Video may be 3 D depending upon the complexity of the subject that is to be presented. As evident 3D may showcase the object or product with various angles and cut n slice way, it may be easier to convince client by showcasing 3D Presentation than showcasing a PPT presentation for same subject.

- **Delivery mode:**

Considering the fact that a presentation is required to be given face to face any presentation format may be suitable (other factors may change the suggested format), however when the presentation is supposed to be given remotely then using of video and voice is recommended.



- **Self-explanatory or with an explanation:** A self-explanatory presentation requires more direct language and script rather than with explanation( Like PPT, or flash presentation with music but no voice)

- ✓ If you plan to show your presentation where the user is expected to understand it by him, you better go for interactive, voiceover, video or flash based presentation.

- **The difference between flash-based presentation and PPT presentation is given here.**

- ✓ Interactive or running presentation: An interactive presentation is the most recommended presentation in many cases as this presentation not only have voice over, pictures but interactive buttons to control the presentation completely.
- ✓ It can work like video and work like PowerPoint (except editing is not that easy, you can pause it, play it, skip the module or go to any section directly.
- ✓ You have full control on delivery of presentation though it has the drawback of not being played on Apple pcs and Android.

- **Audience type:** This also impacts the presentation format. For large gathering like a seminar or event, it is recommended to use either video or PowerPoint.

- ✓ While for a small gathering or one to one meeting interactive or hybrid presentation
- ✓ Also if you are planning to showcase the presentation to C suit or top management
- ✓ These people have a lack of time and always want to see some specific information with lots of facts & figures. Hybrid or flash presentation is the right presentation format for this audience type.

- **The subject of Presentation:**

This also impacts the decision of presentation format. For complex subject, it is advisable to use, interactive presentation with voice over and fact sheet attached to that.

- ✓ A hydride presentation is most recommended which can showcase video, image, voice, music, 3D or whiteboard collectively and any media can be used as per their best capability to explain the complexity of subject within frame of hybrid presentation.
- ✓ Check with your agency if they can work on that format as it is not widely known to people.

**Self-Check-13****Written Test**

**Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answer sheet provided in the next page:

**Multiple choices**

N°	Questions
1	The decision of presentation format. For complex subject is called_____ A. Voice or no Voice B. Budget/ Costing C. subject of Presentation D. None
2	The plat form presentation is called _____ A. Costing B. Budgeting C. Planning D. B \$ C

Satisfactory	2 points
Unsatisfactory	Below 1 points



# **Solar PV System Installation and Maintenance**

**Level-IV**

## **Learning Guide-61**

<b>Unit of</b>	<b>Manage and Maintain Small/Medium Business</b>
<b>Module Title</b>	<b>Managing and maintaining Small/Medium Business</b>
<b>LG Code</b>	<b>EIS PIM4 M15 LO3-LG61</b>
<b>TTLM Code</b>	<b>EIS PIM4 M15 0920v1</b>

### **LO3: Manage Marketing of MSMEs**



## Instruction Sheet

## Learning Guide -61

This learning guide is developed to provide you the necessary information, knowledge, skills and attitude regarding the following content coverage and topics:-

- Analyzing Information on market and business needs
- Identifying market opportunities.
- Evaluating marketing mix and components.
- Determining marketing mix for specific target market.
- Monitoring marketing mix and adjusting continually

This guide will also assist you to attain the learning outcome stated in the cover page. Specifically, upon completion of this Learning Guide, **you will be able to:-**

- Analyze Information on market and business needs
- Identify market opportunities.
- Evaluate marketing mix and components.
- Determine marketing mix for specific target market.
- Monitor marketing mix and adjusting continually

### Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks



### 1.1 Analyzing Information on market and business

A key part of any business plan is the market analysis. This section needs to demonstrate both your expertise in your particular market and the attractiveness of the market from a financial standpoint. This article first look at what we mean exactly by market analysis before looking at how to make a good one for your business plan. A market analysis is a quantitative and qualitative assessment of a market. It looks into the size of the market both in volume and in value, the various customer segments and buying patterns, the competition, and the economic environment in terms of barriers to entry and regulation. A market analysis is the process of gathering information about a market within an industry. A market analysis may seem complex, but it's necessary if you want to lead your business in the direction of success.

- **When you conduct a market analysis, you learn the following:**

- ✓ Who are my potential customers?
- ✓ What are my customers' shopping and buying habits?
- ✓ How large is my target market?
- ✓ How much are potential customers willing to pay?
- ✓ Who is my competition?
- ✓ What are my competitors' strengths and weaknesses?

- **How to conduct a market analysis:**

Conducting and writing a market analysis takes time and lots of research. It's not something you can whip up overnight. To help guide you through your market assessment journey, follow the seven market analysis steps below.

- ✓ Determine the purpose of your study
- ✓ Look at your industry's outlook
- ✓ Pinpoint target customers
- ✓ Compare your competition
- ✓ Gather additional data
- ✓ Analyze your findings
- ✓ Put your analysis into action





- **Determine the purpose of your study**

There are many reasons why businesses might conduct market research. You may use them to assess business risks(e.g., threats), reduce issues, or create opportunities. Internal purposes include things like improving cash flow or business operations. Pinpoint target customers. The truth is, not every person will be your customer. But that's OK! When you analyze the market, you must determine who your potential customers are. This part of the process is called a target market analysis. You need to fully understand who your customers are and where they come from. Your research should paint a clear picture of your potential customers. Look at things like:

- ✓ Age
- ✓ Income
- ✓ Gender
- ✓ Location
- ✓ Occupation
- ✓ Education level
- ✓ Marital or family status

- **Compare your competition**

To further analyze the market, you need to understand your competition. And, you must know who your competitors are trying to target. Take the time to research what other businesses are out there. Look at things like your competition's offerings, location, targeted customers, and disadvantages in the market.

- **Gather additional data**

Information is your greatest ally when it comes to conducting a market analysis.

The more information you gather and have the better off your business will be.

The data you have should be unbiased, relevant, and factual. You should be able to back up your research and make decisions based on accurate information.

- **Analyze your findings**

After you analyze the market, it's time to take a look at your findings. Lay out all of your research and organize it using different sections. Include sections for your purpose, target market, and competition.



- **Put your analysis into action**

Conducting a market analysis might seem like a daunting task, but your business will thank you for it later. Sure, you'll spend a good chunk of time working on your marketing analysis.

**Self-Check-1****Written Test**

**Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answer sheet provided in the next page:

**Multiple choices**

N°	Questions
1	Which one of the following is not member of the market analysis questions? A. Who are my potential customers B. How large is my target market C. Who is my competition? D. none
2	How to conduct a market analysis? A. Gather additional data B. Analyze your findings C. Pinpoint target customers D. all of the above
3	Pinpoint target customers research may include_____ A. Occupation B. Education level C. Marital or family status D. All of the above

Satisfactory	3 points
Unsatisfact	Below 2 points



## 2.1 Identifying market opportunities

Chasing too many growth initiatives can be dangerous for your business. According to the Harvard Business Review, "As an executive team's priority list grows, the company's revenue in fact declines relative to its peers." But focusing on a small set of promising initiatives can lead to above-average revenue growth. Follow these five steps to evaluate the attractiveness of a new market opportunity and start prioritizing your business growth initiatives.

- **Research your customers and competition**

- ✓ Use market research to analyze your customers and competitors on multiple levels. This will help you evaluate whether the demand for a product/service is real, and whether expanding into a potential new market is worthwhile for your company.
- ✓ Identify consumers segments that share common characteristics such as age, gender, education, income, occupation, and place of residence, or softer variables such as lifestyle and values. Also consider consumer motivation. What "job" is the customer trying to get done? What barriers may be constraining consumption?
- ✓ Knowing who your key competitors are and assessing their strengths and weaknesses can also illuminate specific growth strategies and ways to differentiate your products and services.

- **Get a high-level view of the market**

- ✓ However, assessing your customers and competitors is not enough. You also need to obtain a broader understanding of the market as a whole and what the potential of success is in the market.
- ✓ Otherwise, your organization could be trapped into thinking that a few percentage points increase is enough, where there is actually much more potential. Market researchers are experts at providing the overall objective picture and can help you step away from intra-company thinking.

- **When analyzing a market, these high-level questions come into play:**

- ✓ What is the market size?
- ✓ How quickly is the market expanding or contracting?



- ✓ How many buyers are there?
- ✓ What are the barriers to entry?
- ✓ What is the bargaining power of suppliers?

- **Understand the business environment factors**

Another area to explore is the overall business environment, which can have a profound impact on company performance and the ways industries operate.

The business environment includes factors such as:

- ✓ Technological developments
- ✓ Government regulations
- ✓ Geopolitical shifts
- ✓ Economic indicators
- ✓ Trade policies
- ✓ Social and cultural norms

- **Find the market research you need fast**

Gathering and synthesizing information about all these categories can take significant time, effort, and expertise, but market research reports can give you a helpful leg up.



Self-Check-2	Written Test
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**Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answer sheet provided in the next page:

**Multiple choices**

N°	Questions
1	Market research is one of the fundamental principles of market analysis? A. True    B. False
2	Knowing who your key competitors are and assessing their strengths and Weaknesses can also illuminate specific growth strategies. A. True    B. False

Satisfactory	2 points
Unsatisfactory	Below 1 points



### **3.1 Evaluating marketing mix and components**

The marketing mix comprises of four key elements i.e., product, place, price, promotion.

These elements are utilized to satisfy the target market and potential customers.

These principles help the business to achieve its predefined goals.

#### **• Product**

It is regarding the product company manufactures or provides in tangible form and in form of intangibles as services. These strategies are also influenced by demands of the customers. The quality and quantity of the product or service is formulated on its demand basis. Every business differs from other in designing strategies of its product or service.

#### **• Place**

It describes about the location where the product or service will be accessible to the end user. This can be online, inform of vending machines, Atm, or any other location where product is being placed in the market. The placement should be done by focusing on the user of particular product or service. The place refers to the distribution channels for the product, such as stores, catalogs, websites or any other means.

#### **• Price**

The price refers to the amount of money a consumer is willing to pay for the product or seller will charge from customers. The cost should be wide enough to cover the operating costs, but it should also be in the affordability of the customer. In its initial stages, the company sets a bit low price for its product, and then increases it gradually when the market share is increased. For example, a television satellite company initially sets a low price to acquire subscribers and then amplifies the price as their customer share increases. In some cases, companies set extraordinary prices for their products to show the exclusiveness of their customers and products

## • Promotion

This refers to the concept that how organization is going to promote its product or service. It is how you communicate with your customers. The best product can be failed if not communicated properly, so it is essential to successfully promote the product to reach



**Figure 2:Customer Target**

## • Benefit of Market Segmentation

The division of general market into the homogenous groups sharing similar needs is known as market segmentation, also referred as micro-marketing. The segmentation is done in order to identify the key groups in one large market which share particular preferences towards products and services. Instead of making a single advertising strategy, companies develop different advertisements to cater each segment of the market. The segmentation is done on several bases such as preferences, demographics, age, gender, occupations, lifecycle etc. simplifies the marketing procedures by allowing marketers to work on specific advertising strategy.

- ✓ More effective and efficient than traditional marketing.
- ✓ Helps the marketers to assess the response of each segment, and customize the advertising program on it.
- ✓ Helps in finding market segments which are more profitable than others.





- ✓ Helps businesses in efficient utilization of resources.

### • Branding and its Advantages

The most efficient way to target and retain your customers is to provide them more and charge less. The brand is referred to a design, sign, symbol, words, or a combination of these, intended to distinguish the products and services of one company from that of other. The branding is a process of empowering the products with power of brand. The branding provides value to the product and services in a form of customer attitude, feelings, how they think about particular brand. The branding gives multiple benefits to the company. The main benefit is that customers are Design a SWOT analysis for a company.

The swot analysis of the company is procedure for analyzing the strengths, weaknesses, opportunities and threats. The swot analysis of the coca cola is as under. The Coca-Cola Company (Coca-Cola) is a leading manufacturing company of Non-alcoholic beverages in the world. Strengths, Weaknesses, Opportunities and Threat (SWOT)

### • Strengths

- ✓ The strengths of coca cola are:
- ✓ World's leading brand
- ✓ Large scale of operations
- ✓ Mega-budget Company.
- ✓ Robust revenue growth in three segment
- ✓ Brand awareness in the world.
- ✓ Huge brand loyalty globally
- ✓ Strong marketing strategies.

### • Weaknesses

- ✓ The things which coca cola lacks are:
- ✓ Negative publicity
- ✓ Sluggish performance in North America
- ✓ Decline in cash from operating activities
- ✓ Lack of understanding in new brands i.e. Coca Cola diet and zero.



- **Opportunities**

- ✓ Few market opportunities that Coca Cola can avail are:
- ✓ Intense Acquisitions with beverage companies.
- ✓ Increase in bottled water market.
- ✓ Incremental growth of Hispanics in US
- ✓ Innovation in strategies
- ✓ Launch sub brands in all untouched regions
- ✓ Improvements in economic conditions.

- **Threat**

- ✓ The threats which Coca-Cola have or will experience are:
- ✓ Extreme competition with Pepsi.
- ✓ New entrants in beverage industry.
- ✓ Economic stress especially in third world.
- ✓ Political unrest in Arab countries.
- ✓ By developing strategies on this SWOT basis, Coca-Cola can increase its market
- ✓ Share and maximize its profits to the greater extent

**Self-check-3****Written test**

**Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answer sheet provided in the next page:

**Multiple choices**

N°	Questions
1	Which one of the following is not the group of market comprises element? A. Price B. product C. promotion D. Place
2	advertising strategy is A. More effective and efficient than traditional marketing B. Helps in finding market segments which are more profitable than others C. all

Satisfactory	2 points
Unsatisfactory	Below 1 points



Information Sheet-4	Determining marketing mix for specific target market
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#### 4.1 Determining marketing mix for specific target market

- **Target Market**

A marketing strategy is selecting and describing one or more target markets that a company's product or service will identify for business opportunities. A target market is a defined group most likely to buy a company's products or services. This group usually has similar product needs, such as college students who usually have an appetite for affordable cars, technology products, dorm room goods.

- **The four Ps of marketing: product, price, place and promotion**

- ✓ Product: The goods and/or services offered by a company to its customers.
- ✓ Price: The amount of money paid by customers to purchase the product.
- ✓ Place (or distribution): The activities that make the product available to consumers.
- ✓ **Promotion:** The activities that communicate the product's features and benefits and persuade customers to purchase the product .Marketing tools

- **Each of the four Ps has its own tools to contribute to the marketing mix:**

- ✓ Product: variety, quality, design, features, brand name, packaging, services
- ✓ Price: list price, discounts, allowance, payment period, credit terms
- ✓ Place: channels, coverage, assortments, locations, inventory, transportation, logistics
- ✓ Promotion: advertising, personal selling, sales promotion, public relations

- **Marketing strategy**

An effective marketing strategy combines the 4 Ps of the marketing mix. It is designed to meet the company's marketing objectives by providing its customers with value.

- **The four Ps as the four Cs**

The four Ps of the marketing mix can be reinterpreted as the four Cs. They put the customer's interests (the buyer) ahead of the marketer's interests (the seller).

- ✓ Customer solutions, not products: Customers want to buy value or a solution to their problems.
- ✓ Customer cost, not price: Customers want to know the total cost of acquiring, using and disposing of a product.



Self-Check-4	Written Test
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**Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answer sheet provided in the next page:

**Multiple choices**

N°	Questions and answers
1	<p>Which one of the following is related with variety, quality, design and features?</p> <p>A. Price    B. product    C. promotion    D. Place</p> <p>Which one of the following is related with channels, coverage and assortments?</p> <p>A. Price    B. product    C. promotion    D. Place</p>

Satisfactory	2 points
Unsatisfactory	Below 2 points

### 5.1 Monitoring marketing mix and adjusting continually

Once a firm has defined its target market and identified its competitive advantage, it can create the marketing mix, which is based on the 5Ps discussed earlier, that brings a specific group of consumers a product with superior value. Every target market requires a unique marketing mix to satisfy the needs of the target customers and meet the firm's goals. Targeting Strategies and the Marketing Mix.

Once target segments are identified, the marketing manager selects a targeting strategy that will be the best fit for reaching them. Targeted marketing enables the marketing and sales teams to customize their message to the targeted group(s) of consumers in a focused manner. The targeting strategy is where the marketing mix comes together to create the right offer and marketing approach for each target segment

**Table 1: A summary of common targeting strategies.**

Strategy	Target Market	example
Mass marketing	Everybody everywhere	Target
Differentiated marketing	Large groups within the total market	Costco, Sam's Club
Niche marketing	High penetration within smaller, specialized segments	Trader Joe's, Whole Foods
Micromarketing	Individual customers or localized micro segments	Group on



Self-Check-5	Written Test
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**Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answer sheet provided in the next page:

**Multiple choices**

N°	Questions and answers
1	Every target market requires a unique marketing mix to satisfy the needs of the target Customers and meet the firm's goals. A. True B. False
2	Marketing strategy typically starts with the product and service. A. True B. False

Satisfactory	2 points
Unsatisfactory	Below 2 points



# **Solar PV System Installation and Maintenance**

**Level- IV**

## **Learning Guide-62**

<b>Unit of Competence</b>	<b>Manage and maintain Small/Medium Business Operations</b>
<b>Module Title</b>	<b>Managing and maintaining Small/Medium Business Operations</b>
<b>LG Code</b>	<b>EIS PIM4 M15 LO4-LG62</b>
<b>TTLM Code</b>	<b>EIS PIM4 0920v1</b>

### **LO 4: Manage Human Resources**



**Instruction Sheet****Learning Guide -62**

This learning guide is developed to provide you the necessary information, knowledge, skills and attitude regarding the following content coverage and topics:-

- Human resource rules, regulations law and procedures.
- Auditing and identifying human resource is gaps.
- Conducting recruitment and selection.
- Orienting and placing candidates
- Appraisal of employees' performance
- Using appraisal results for training, promotion, disciplinary measures
- Maintaining employee relations

This guide will also assist you to attain the learning outcome stated in the cover page.

Specifically, upon completion of this Learning Guide, you will be able to:-

- Human resource rules, regulations law and procedures.
- Audit and identifying human resource is gaps.
- Conduct recruitment and selection.
- Orienting and placing candidates
- Appraisal of employees' performance
- Use appraisal results for training, promotion, disciplinary measures
- Maintain employee relations

**Learning Instructions:**

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks



### 1.1 Human resource policies

are continuing guidelines on the approach of which an organization intends to adopt in managing its people. They represent specific guidelines to HR managers on various matters concerning employment and state the intent of the organization on different aspects of Human Resource management such as recruitment, promotion, compensation, training, selections etc. They therefore serve as a reference point when human resources management practices are being developed or when decisions are being made about an organization's workforce.

- **In actuality, policies and procedures serve a number of purposes:**

They provide clear communication between the organization and their employees regarding their condition of employment.

- ✓ They form a basis for treating all employees fairly and equally.
- ✓ They are a set of guidelines for supervisors and managers.
- ✓ They create a basis for developing the employee handbook.
- ✓ They establish a basis for regularly reviewing possible changes affecting employees.
- ✓ They form a context for supervisor training programs and employee orientation programs.

- **Human resource for the small business**

HR is a morass of laws, regulations and requirements. It's easy to get twisted up and dumped into a black hole of time and money. But for most small businesses (fewer than 50 employees) there are three basic requirements for a sensible, practical HR program.

- ✓ Creation and maintenance of three specific employee files
- ✓ Publication of an employee handbook with certain policies
- ✓ Posting of required state and federal notices

- **Employee File**

You should create and maintain a separate file for each of your employees. This file is where you keep most of the information you collect on employees, such as:

- ✓ Resumes and employment applications



- ✓ Offer letters, employment agreements or contracts
- ✓ Payroll information
- ✓ Basic employment data
- ✓ Information about participation in benefit programs
- ✓ Awards, recognition or disciplinary documents
- ✓ Performance evaluations
- ✓ Termination documentation and exit interview information

## 1.2 Important of Human Resource Department

Every company understands or values their human resource department. Human resources professionals are the life blood of the company, because their job is to ensure that the business gets the most out of its employees. In other words, the human resource department needs to provide a high return on the business's investment in its people. In this article, we list some of the reasons why the human resource department is important for any and every company.

- **Recruitment processes**

One reason why the human resource department is important is because they look after the recruitment needs of the company. Employee recruitment, which includes interviewing and selecting new hires, is typically the responsibility of the human resources department. This also includes determining when recruitment is necessary in each department as well as if the hire is a benefit to the company. When hiring new employees, it is not merely looking at the candidates' resume, the human resource department also has to interview them and make sure that the potential candidates are able to fit with the company's culture.

- **Keep employees grounded**

The human resource department does not sit around after hiring and getting the new employees settled into their roles and duties. They are constantly working to improve the quality of work life by creating and implementing programs and policies such as personal and annual leave, daycare services and other various incentive opportunities. Their job is to ensure that the employees are not finding it hard to come to work just because their regular babysitter is sick or it is the school holidays and no one is available to look after their children.



- **Employee management**

Another reason why the human resource department is important is because they are the ones that keep employees grounded by maintaining employee satisfaction, employment engagement and even maintaining workplace atmosphere. You can find out the simple and effective employee engagement ideas that would help your Company in getting your employees engaged. As mentioned earlier, the human resource department looks after employee benefits and incentives. Employee benefits include offering and processing application and claim forms.

- **Training and development**

Training and development is one of the ways to improve the company's employee engagement. Continuing the education of established employees and constantly upgrading their skills and knowledge is the responsibility of the human resources department. Ongoing employee training is vital for a company to maintain its level of professionalism and skill. The department normally finds or creates different types of training and classes, such as first aid courses or software classes to ensure that their employees are properly educated. Employees and even management needs a refresher course once in a while. The human resource department works in collaboration with other departments to achieve the goals and maintain the standards of the company and its value.

- **Paperwork**

As most of us are already aware of this, the human resource department looks after the employees' database, which includes all of the information the company needs on any and every employee. Personal and confidential information such as employee's contract, job responsibilities, discipline records and performance assessments are all being looked after by the human resource department. This is one reason why the human resource department is important as employees' information is readily available as and when it is needed



Self-Check-1	Written Test
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**Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answersheet provided in the next page:

**Multiple choices**

N°	Questions
1	Which one of the following is not purpose of human resource? a. They provide clear communication between the organization B. They form a basis for treating all employees fairly and equally C. They create a basis for developing the employee handbook
2	Which one of the following is importance of human resource? A. Keep employees grounded B. Training and development C. Paperwork D. all of the above
3	Identify false statement about human resource? A. is a morass B. Posting of required state and federal notices C. none

Satisfactory	3 points
Unsatisfactory	Below 2 points



## 2.2 Auditing and identifying human resource gaps

Auditing is defined as the on-site verification activity, such as inspection or examination, of a process or quality system, to ensure compliance to requirements. An audit can apply to an entire organization or might be specific to a function, process, or production step. Some audits have special administrative purposes, such as auditing documents, risk, or performance, or following up on completed corrective actions. The audit is an intelligent and critical examination of the books of accounts of the business. Auditing is done by the independent person or body of persons qualified for the job with the help of statements, papers, information and comments received from the authorities so that the examiner can confirm the authenticity of financial accounts prepared for a fixed term and report that. The term audit is derived from a Latin word “audire” which means to hear authenticity of accounts is assured with the help of the independent review.

- **The three different types of auditing**

- ✓ First-party, second-party, and third-party audits?

- ❖ **A first-party audit:** is performed within an organization to measure its strengths and weaknesses against its own procedures or methods and/or against external standards adopted by (voluntary) or imposed on (mandatory) the organization. A first-party audit is an internal audit conducted by auditors who are employed by the organization being audited but who have no vested interest in the audit results of the area being audited.

- ❖ **A second-party audit:** is an external audit performed on a supplier by a customer or by a contracted organization on behalf of a customer. A contract is in place, and the goods or services are being, or will be, delivered. Second-party audits are subject to the rules of contract law, as they are providing contractual direction from the customer to the supplier. Second-party audits tend to be more formal than first-party audits because audit results could influence the customer’s purchasing decisions.

- **A third-party audit**

is performed by an audit organization independent of the customer-supplier relationship and is free of any conflict of interest. Independence of the audit organization is a key component



of a third-party audit. Third-party audits may result in certification, registration, recognition, an award, license approval

- **Process audit:**

This type of audit verifies that processes are working within established limits. It evaluates an operation or method against predetermined instructions or standards to measure conformance to these standards and the effectiveness of the instructions. A process audit may: Check conformance to defined requirements such as time, accuracy, temperature, pressure, composition, responsiveness, amperage, and component mixture.

- ✓ Examine the resources (equipment, materials, people) applied to transform the inputs into outputs, the environment, the methods (procedures, instructions) followed, and the measures collected to determine process performance.
- ✓ Check the adequacy and effectiveness of the process controls established by procedures, work instructions, flow charts, and training and process specifications.

- **Product audit:** This type of audit is an examination of a particular product or service, such as hardware, processed material, or software, to evaluate whether it conforms to requirements (i.e., specifications, performance standards, and customer requirements).

- **System audit:** An audit conducted on a management system. It can be described as a documented activity performed to verify, by examination and evaluation of objective evidence, that applicable elements of the system are appropriate and effective and have been developed, documented, and implemented in accordance and in conjunction with specified requirements.

- **A quality management system audit** evaluates an existing quality management program to determine its conformance to company policies, contract commitments, and regulatory requirements. Similarly, an environmental system audit examines an environmental management system, a food safety system audit examines a food safety management system, and safety system audits examine the safety management system.





- **Four Phases of an Audit Cycle**

- ✓ **Audit planning and preparation:** Audit preparation consists of planning everything that is done in advance by interested parties, such as the auditor, the lead auditor,
- ✓ The client and the audit program manager, to ensure that the audit complies with the client's objective. This stage of an audit begins with the decision to conduct the audit and ends when the audit itself begins.
- ✓ **Audit execution:** The execution phase of an audit is often called the fieldwork. It is the data-gathering portion of the audit and covers the time period from arrival at the audit location up to the exit meeting. It consists of multiple activities including on-site audit management, meeting with the audited, understanding the process and system controls and verifying that these controls work, communicating among team members, and communicating with the audited.
- ✓ **Audit reporting:** The purpose of the audit report is to communicate the results of the investigation. The report should provide correct and clear data that will be effective as a management aid in addressing important organizational issues. The audit process may end when the report is issued by the lead auditor or after follow-up actions are completed.
- ✓ **Audit follow-up and closure:** According to ISO 19011, clause 6.6, "The audit is completed when all the planned audit activities have been carried out, or otherwise agreed with the audit client." Clause 6.7 of ISO 19011 continues by stating that verification of follow-up actions may be part of a subsequent audit.

- **Specifically, the audit assessed whether:**

- ✓ The Department has defined and communicated roles, responsibilities and accountability related to HR planning and that associated structures and processes have been established and implemented.
- ✓ HR planning information is available for decision-making by management
- ✓ Efficient and effective processes are established and tools are in place to support HR planning.
- ✓ HR plans are developed and implemented to meet organizational needs, including monitoring of and reporting on progress made against HR plans





- **Audit Considerations**

A risk-based approach was used in establishing the objectives, scope, and approach for this audit engagement. The following areas were identified as having significance in the management of HR planning process, Governance structures adequately support the management of HR planning process and activities;



Self-check -2	Written test
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**Instruction: Follow the below selected instruction**

Answer all the questions listed below. Use the Answer sheet provided in the next page:

**The followings are multiple choices.**

N°	Questions
1	Which one of the following is not True about auditing?
2	Auditing is defined as the on-site verification activity The term audit is derived from a Greek word “audire An audit is an examination of accounting records
3	Audit preparation consists of planning everything that is done in advance by Interested parties. A. True B. false
4	The purpose of the audit report is to communicate the results of the investigation. A. True B. False

Satisfactory	3 points
Unsatisfactory	Below 2 points



### **3.1 Conducting recruitment and selection**

Recruitment and selection are distinct phases for hiring professionals. When it comes to recruitment, the focus is on attracting, selecting, and designing the appropriate candidates for one or more positions within an organization, permanent or temporary. The term can be defined as the attraction of people to be incorporated into the routine activities of the organization by pre-defining work requirements and specifying the employee profile. It also measures an individual's likelihood of joining the organization, and its compatibility with the company's mission, vision and values. Recruitment can also be carried out in the processes developed for choosing individuals for unpaid positions, such as volunteer roles or training programs.

### **3.2 What is Selection?**

The selection process aims at conducting interviews and evaluating candidates for a specific job, defined at recruitment, selecting. Finally, an individual for the vacancy, based on predefined criteria. Selection can range from a very simple process to a very complicated one, which depends solely on the company you hire and the position the candidate is looking for. It is important to remember that in any and all selection process, it is necessary to obey certain labor laws, preserving both company and candidate, in order to avoid discriminatory acts during the selection of the employee.

- **Factors that influence recruitment and selection**

All organizations, whether large or small, put time and resources into the process of recruiting and selecting employees for the activities. However, they do not consider the same criterion. There are factors that are often not considered by organizations, but directly influence the process. Administrative recruitment factors can be broadly divided into internal and external factors.

- **External factors**

- ✓ Supply and demand;



- ✓ Unemployment rate;
- ✓ Intern market;
- ✓ Place where the applicant resides;
- ✓ Company image.

- **Internal Factors**

- ✓ Recruitment policy;
- ✓ Company size;
- ✓ Cost growth and expansion.

Most organizations have a policy of recruiting employees internally or externally. Recruitment by appointment is one of the most used by organizations, as employees themselves know the company better, making it easier to recommend candidates who can easily adapt to the culture of the organization.

### **3.3 The types of recruitment and selection**

Recruitment and selection methods or sources are defined before the company begins to recruit candidates and should consider the source and type of employee you are looking for. here are usually two types of sources from which any organization can look for potential employees, both internal and external. But in addition to them, it is possible to perform mixed recruitment and online.

- **Internal recruitment**

Internal recruitment methods include opening position changes, distributing announcements within the organization, searching the organizational database for the relationship of skills required to perform the job, to match the competencies held by current employees. This recruitment and selection method explores internal sources, filling positions and encouraging promotions. The in-house recruit can drive job satisfaction and employee motivation as they see a new career opportunity available. External Recruitment.



External recruitment methods include the form of disclosure. The choice of recruitment method, internal or external, made by managers, depends directly on the strategy of the organization, which mostly has the strategy of encouraging internal promotions and transfers.

- **Mixed Recruitment**

Mixed recruitment is the combination of external and internal procedures. It is made in a way that can reconcile the interest in filling the vacancy and the appreciation of the company's talents.



<b>Self-check -3</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

**The following are multiple choices.**

<b>N°</b>	<b>Questions</b>
<b>1</b>	The selection process aims at conducting interviews and evaluating candidates for a specific job. A. True B .False
<b>2</b>	Which one of the following is not external factors that influence Recruitment and Selection? A. Supply and demand B. Unemployment rate C. Intern market Place where the applicant resides D. Company size
<b>3</b>	Audit preparation consists of planning everything that is done in advance by Interested parties. A. True B. false
<b>4</b>	The company's image also directly influences the number of candidates who will be to the position A. True B. False

**Note: the satisfactory rating is as followed**

Satisfactory	Above 4 points
Unsatisfact	Below 2 points



### 4.1 Orienting and placing candidates

When a small business is formed, it is often difficult to imagine the time when there is a need to hire employees. Successfully integrating new employees into your business will help keep your business on track. Every employee needs to understand what your business is about, and what will be expected of them to help the business succeed. Having strong orientation and training programs for your employees will contribute toward this goal. What are the most important components of new employee orientation and training programs?

Your orientation program is designed to help new employees become familiar with the environment of your business, develop a commitment to the business, and learn about the expectations the business has of them (and what the business in turn has to offer). The first covers the business as a whole. There are a few topics that you absolutely need to cover in the basic organizational orientation these are:

- a) The history, mission, and market positioning of the business.
- b) The company's philosophy and objectives.
- c) Information about the industry and special terminology or jargon that employees must learn.
- d) An outline of the company's structure and any features of it that are unique.
- e) Performance standards, rules, expectations, policies, procedures, and safety & security practices that affect employees any benefits and employee services.

- **Training**

Another important tool to help your employees is offering training programs. These programs will both make your employees more productive and also help reduce your turnover rate. It's something that can be useful for every employee. Think about your business, and your objectives for the coming year. What are some skills that contribute to meeting those goals? These skills are the ones that you specifically want to offer training for. Other skills are perennial, and are always good options for training programs. What are relevant skills for your employees? Salespeople can learn new sales techniques, while employees who do a lot of



work on computers can upgrade their computer skills. Many different kinds of employees can benefit from training programs on time management and writing. Finally, you might offer your employees the chance to go to trade and professional meetings, seminars, and college classes, places where they can learn specific skills and interact with other workers in the industry. With effective orientation and training programs, you can help bring in new workers and help them get on the ground running as quickly as possible. Offer workers the chance to improve their skills and it will benefit both you and the employees themselves

- **Placement of Employees:**

It is important for both the organization as well as staff that each employee should be placed on a suitable job. While doing so, the factor to be considered is not only the suitability of the job to the individual. But, initial placement is always a problem because there is little knowledge about the new employee. Therefore, placement should be done after due considerations of the demands of the job, as well as the social, psychological needs of the individual. An enterprise which has spent a lot of time and money in making a very careful selection may lose due to wrong placement.

- **Right placement of workers can have the following advantages:**

- ✓ Reduced labor turnover rate.
- ✓ Reduced absenteeism rate.
- ✓ Increased safety of workers and lower accidents.
- ✓ Increased workers moral
- ✓ Better human relation in the organization

- **Following are steps an employer should consider before hiring a new employee**

- ✓ **Articulate the Need**

The first step is to articulate the need for a hire. This should be done through the strategic planning process to ensure the new hire supports organizational objectives. That supports departmental or organizational goals. The job description should accurately reflect specific job duties, responsibilities, and performance expectations. Employee goals should be outlined





within the job description so the new employee has a good understanding of what is expected of them and how it will affect their performance appraisal.

### ✓ **Identify Job Candidates**

Finding the right person to fill a specific job can be like looking for a needle in a haystack. So what to do? There are many ways to get the word out and find the right person.

- **Word of mouth.** Get the word out and ask around if anyone knows someone with the skill set you're looking for.
- **Social media**– use your social networking tools to help with this. LinkedIn, Twitter, and Facebook are all good resources to help find job candidates.
- **Online recruitment sites**– such as Indeed, Monster, Career builder, Jobs.com, etc.
- **Old fashioned newspaper** ads– this is a dated way to find job candidates but there is certain demographic that stills go to the newspaper to look for jobs. Be specific with your advertising on what your needs are and what skill set you are looking for. For example, if you need someone who is proficient with Microsoft Office, specify

## **4.2 Interviewing**

Interviewing is a tricky thing but is a skill that can be developed.

Take some time to create a list of questions you want to ask the candidate.

When you interview someone keep in mind that they are looking for a job for some reason.

You should try to figure out why.

Some things to look for when interviewing someone:

- Does the candidate make good eye contact?
- How articulate is the person?
- Allow the person to do the majority of the talking, just prompt them with questions, and then probe their answers.

## **4.3 Verify Their Information**

Once you identify the person you think would be the best fit, it is critical that some final checks Remember that just because something is in print doesn't necessarily mean it's accurate. If someone says they are proficient in software, make sure you test them. There is also social style testing that can be helpful. Certain positions match better with some social styles.



Self-check -4	Written test
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**Instruction: Follow the below selected instruction**

**The following are multiple choices.**

N°	Questions
1	Interviewing is a tricky thing but is a skill that can be developed. A. True B .False
2	Successfully integrating new employees into your business will help keep your business on track. A. True B. False
3	It is important for both the organization as well as staff that each employee should be placed on a suitable job. A. True B. false

**Note: the satisfactory rating is as followed**

Satisfactory	3 points
Unsatisfactory	Below 1 points



### **5.1 Appraisal of employees' performance**

Performance appraisal is a regular review of an employee's job performance and overall contribution to a company. Also known as an annual review, performance review or evaluation, or employee appraisal, a performance appraisal evaluates an employee's skills, achievements, and growth--or lack thereof. Companies use performance appraisals to give employees big-picture feedback on their work and to justify pay increases and bonuses, as well as termination decisions. They can be conducted at any given time but tend to be annual, semi-annual, or quarterly. Companies use performance appraisals to determine which employees have contributed the most to the company's growth, review progress, and reward high-achieving workers. While there are based on the feedback, a performance appraisal is also an opportunity for the organization to recognize employee achievements and future potential.

- **The purpose of a performance appraisal**

The purpose of a performance appraisal is two-fold: It helps the organization to determine the value and productivity that employees contribute, and it also helps employees to develop in their own roles.

- **Benefit for organization**

Employee assessments can make a difference in the performance of an organization. They provide insight into how employees are contributing and enable organizations to:

- ✓ Identify where management can improve working conditions in order to increase productivity and work quality.
- ✓ Address behavioral issues before they impact departmental productivity.
- ✓ Encourage employees to contribute more by recognizing their talents and skills
- ✓ Support employees in skill and career development
- ✓ Improve strategic decision-making in situations that require layoffs, succession planning, or filling open roles internally



- **Benefit for employee**

Performance appraisals are meant to provide a positive outcome for employees. The insights gained from assessing and discussing an employee's performance can help:

- ✓ Recognize and acknowledge the achievements and contributions made by an employee.
- ✓ Recognize the opportunity for promotion or bonus.
- ✓ Identify and support the need for additional training or education to continue career development.
- ✓ Determine the specific areas where skills can be improved.
- ✓ Motivate an employee and help them feel involved and invested in their career development.

- **How to organize a performance appraisal process**

Conducting a performance review with an employee requires skill and training on the part of the appraiser. The negative perception that is often associated with the performance appraisal is due in part to a feeling of being criticized during the process. A performance appraisal is meant to be the complete opposite. Often, the culprit is in the way the appraisal is conducted via the use of language. The way the sender of a message uses language determines how the other person interprets the message once received. This can include tone of voice, choice of words, or even body language. Because a performance appraisal is meant to provide constructive feedback, it is crucial that appropriate language and behavior are used in the process. Human Resources (HR) are the support system for managers and supervisors to be trained in tactfully handling the appraisal process.

- **The performance appraisal process**

- ✓ The assessment process is usually facilitated by Human Resources, who assist managers and supervisors in conducting the individual appraisals within their departments.
- ✓ An assessment method should be established.
- ✓ Required competencies and job expectations need to be drafted for each employee.
- ✓ Individual appraisals on employee performance are conducted.
- ✓ A one on one interview is scheduled between the manager and employee to discuss the review.
- ✓ Future goals should be discussed between employee and manager

**Self-check -5****Written test**

**Instruction: Follow the below selected instruction**

**The following are multiple choices. Then choose the best answer**

N°	Questions
1	Which one of the following is true about Performance appraisal? A. regular review of an employee's job performance B. Also known as an annual review C. Performance appraisal evaluates an employee's skills
2	The performance assessment often includes both the core competencies required by the organization A. True B. False
3	One of the following is benefits of Performance appraise? A. Recognize the opportunity for promotion or bonus B. Determine the specific areas where skills can be improved C. Motivate an employee and help them feel involved and invested D. all

**Note: the satisfactory rating is as followed**

Satisfactory	3 points
Unsatisfactory	Below 2 points



Information sheet -6	Using appraisal results for training, promotion, disciplinary measures
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## 6.1 Using appraisal results for training, promotion, disciplinary measures

Disciplinary review and corrective-action policies provide workplace structure. They establish guidelines for employee performance and behavior and add an essential component to the overall management system. Disciplinary review and corrective action enforce workplace guidelines contained in employee handbooks, standard operating procedures and employment agreements.

- **Issuing a Written Reprimand**

Written reprimands are the type of discipline you implement if an employee continues to violate workplace standards or regulations. Also known as an “employee write-up,” they’re often the second step after a verbal warning has not resulted in improved behavior. Typically, The employee’s supervisor writes a detailed account of the behavior or actions that need to change, as well as what steps the company will take if that behavior or action doesn’t improve. For example, habitual tardiness may lead to an employee write-up that indicates termination may result if the employee doesn’t start showing up on time. After completing an employee write-up, you must ensure that your worker reads and signs the document, then place the document in that person’s personnel file.

- **Implementing Performance Improvement Plans**

Performance improvement plans are effective forms of discipline in which you create a detailed plan that identifies areas for improvement, and a series of steps your employee must complete to satisfy an acceptable performance standard. These improvement plans are often created when an employee’s job performance has fallen far below the minimum standard. For example, if you own a telemarketing firm with a minimum of 500 outbound calls per month, and an employee consistently logs 150 calls per month, creating a performance improvement plan could be beneficial. The plan should include actionable and achievable steps for improvement, as well as quantitative and qualitative milestones. Any opportunity for



advancement or for incentives, such as a bonus, is put on hold until the employee achieves the plan's goals.

- **Issuing a Written Suspension**

Written suspensions are forms of discipline you can use when verbal warnings, written reprimands and performance improvement plans have failed. You must document the employee's behavior or actions, note the corrective measures you attempted to implement and indicate why you issued the suspension. Egregious behavior or employee actions that threaten the health and safety of those in your workplace are typically valid reasons for a suspension. It's important to understand that a suspension not only deprives your employee of a paycheck but that it can also impact that person's ability to compete for promotions and work assignments even after the employee is reinstated

- **Terminating an Employee**

When all other forms of discipline have not resulted in improvement, your final option may be to consider termination. This is a drastic step, but one that may be necessary if you've exhausted all other options. In some instances, you can issue a final written warning that indicates termination will follow if the employee's behavior isn't corrected. Terminating an employee occurs if that employee continues to exhibit behavior that is harmful to your company and to your other workers.

- **Promotion**

Promotion is a catch-all term that includes all the ways a business can attempt to enhance the visibility of its products, services, or brand. A poster ad at a bus stop is a form of promotion. So is a sale that discounts the price of a product or service for a set amount of time .the words "promotion" and" advertising" may be used interchangeably, but they're not the same thing. Advertising is one specific action you could take to promote your product or service. In other words, it's one type of promotion. Promotions can refer to an effort (like an ad), a concept (like a temporary price reduction), or an item (like a branded t-shirt). In practice, promotions usually combine these forms of promotion. For example, a clothing store might plan a sale on jeans



and take out an ad in a local newspaper to let people know when and where the sale will happen.

- **How Does Promotion Work?**

Promotion is a vital aspect of any business. Without at least some level of promotion, a business can't get customers, and without them, it's only a matter of time before the business will have to close its doors. While all businesses need some kind of promotion, they don't all need the same kinds or the same levels of promotion. No two businesses will have the exact same promotional needs, and tactics vary significantly between industries. A corner store might just need a sign that can be seen from the sidewalk that lets customers know the establishment exists. Other businesses may need to invest indirect selling efforts or buy ad time on a streaming service, for instance. New businesses may have to go through a trial-and-error period of experimenting with different promotional styles before they find the one that's best suited for them. Even established businesses experiment with new promotional strategies in addition to continuing their tried-and-true promotions.





<b>Self-check -6</b>	<b>Written Test</b>
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**Instruction: Follow the below selected instruction**

The following are multiple choices. Then choose the best answer

<b>No</b>	<b>Questions</b>
1	A catch term that includes all the ways a business can attempt to enhance The visibility of its products is called _____? Promotion The Elevator Pitch Social Media D. all
2	From the following alternative one is not the type of promotion? A. Website B. Social C. The Pitch Elevator D. none
3	Disciplinary review and corrective-action policies provide workplace Structure. A. True B. False

**Note: the satisfactory rating is as followed**

Satisfactory	3 points
Unsatisfactory	Below 2 points



Information Sheet-7	Maintaining employee relations
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## 7.1 The Benefits of Good Employee Relationship

- **Heightened Employee Loyalty**

Employees don't leave their jobs, they leave their bosses.

Most employees don't think twice about changing their jobs if they feel the work culture is not feasible. This mainly happens when employers overlook their stand for bettering ties with the workforce. Ignoring the chances to improve employee relations not only cost the employers financially. But it also tarnished their brand image, thereby, obstructing the flow of new talents. Thus, employers must always keep a check on how their employees feel and if their career is advancing.

- **Increased Motivation**

Healthy workplace relations motivate employees to give their best and work harder. Maintaining good relations with your employees is not only limited to good communication. It also involves recognizing your employees' efforts within the workplace. And even the employees like it when they feel praised by their higher-ups pumping up their motivation levels. As a matter of fact, motivated employees also make up as excellent team members. Also, employees with a higher level of motivation are less likely to experience burnout.

- **Fewer Chances of Workplace Conflicts**

Workplace conflicts are one of the major reasons behind unsuccessful businesses. Such conflicts usually arise due to differences between an employer and an employee. If left unattended these differences grow further. Thus, widening any prevailing barrier between the employer and the employees. The only viable solution that lies in the employers' court is in having a good relationship with the employees. This allows employers to make unbiased decisions involving their workforce. Thus lowering the chances of any conflict within the organization.

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- **Improves the Trust and Confidence**

Nurturing trust and confidence in the workplace requires a lot of effort from both the employer and employees' end. It won't be wrong to compare it to a puzzle where the most important piece is in having good employee relations. Great employee relations sow the seed of trust and confidence in the workplace. For the same, most companies introduce an employee relations manager. These managers are entrusted with keeping the organizations' efforts for better employee relations on track. The degree of trust and confidence also depends on the way employers communicate with the employees. Thus, ensuring healthy workplace communication is very important.

- **Insures a Better Workplace Culture**

Organizations are defined by their workplace culture. Employees and job seekers always desire to work for organizations with a thriving work culture. Good work culture may be defined in various ways like trusting your employees, recognizing employees for their efforts or coming out to support the employees in distress. Like all the other points, a strong employee relationship also helps in building a better work culture. When employees enjoy a good relationship with their employers, they are much inclined towards adhering to the guidelines and principles of the company. This in turn reflects back in the form of positive employee

- **Enhanced Work-life Balance**

Work-life balance is now the buzzword of every employer and employee. Employers these days fall prey to the hectic work culture that forbids them from having some time for rejuvenation. Owing to this, employees become demotivated and experience burnout in their jobs due to the excess workload. And the lack of good employee relations often drives them into hiding their issues. This, in turn, is very bad for both employers and employees. It deprives the employers from taking actions regarding the issues as well as for the employees, it disbalances their work-life.



- **Better Employee Engagement**

Employee engagement is the term used to define the efforts of an employer to engage their employees on the job. It involves everything from ensuring better workplace communication to frequent appreciations for the top performers. An engaged workforce exhibits better results and efficient workflow in the organizations they are in. Moreover, all the practices for better employee engagement ultimately pave the way for strong employee relations. Conducting employee engagement surveys and introducing new measures become much easier with healthy employee relations.

**Self-check -7****Written Test**

**Instruction: Follow the below selected instruction**

**The following are multiple choices.**

N°	Questions
1	Employees don't leave their jobs, they leave their bosses. True B. False
2	Employee engagement is the term used to define the efforts of an employer to engage their employees on the job. A True B. False
3	Work-life balance is now the buzzword of every employer and employee A. True B. False

**Note: the satisfactory rating is as followed**

Satisfactory	3 points
Unsatisfactory	Below 2points



# **Solar PV System Installation and Maintenance**

**Level- IV**

## **Learning Guide- 63**

<b>Unit of Competence</b>	<b>Manage and Maintain Small/Medium Business Operations</b>
<b>Module Title:</b>	<b>Managing and Maintaining Small/Medium Business Operations</b>
<b>LG Code:</b>	<b>EIS PIM4 M15 LO5-LG63</b>
<b>TTLM Code:</b>	<b>EIS PIM4 0920V1</b>

### **LO 5: Manage production and Operation**



## Instruction Sheet

## Learning Guide - 63

This learning guide is developed to provide you the necessary information, knowledge, skills and attitude regarding the following content coverage and topics:-

- Developing and implementing production /operation plan
- Purchasing inputs and maintaining adequate inventories .
- Checking and controlling production /operation process.
- Applying and maintaining quality control

This guide will also assist you to attain the learning outcome stated in the cover page. Specifically, upon completion of this Learning Guide, you will be able to:-

- Develop and implement production /operation plan.
- Purchase inputs and maintains adequate inventories.
- Check and control production /operation process.
- Apply and maintain quality control

### Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks



Information Sheet-1	Developing and implementing production /operation plan
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## 1.1 Developing and implementing production /operation plan

Production (or Operations) management is an umbrella term which encompasses a gamut of ideas within the jingoistic managerial circles, mostly exemplified by the varied literal definitions of these terms based on the source. But we'll confine ourselves to straightforward (and understandable) definition to answer the basic question – 'What is operations management? Definition: Production / Operation Management is defined as the process which transforms the inputs/resources of an organization into final goods (or services) through a set of defined, controlled and repeatable policies.

- **Difference between Production and Operations Management**

Production and operations management are more similar than different: if manufacturing products is a prime concern then it is called production management, whereas management of services is somewhat broader in scope and called operations management (because manufacturing services sounds absurd).

- **The fuss about production and systems**

- ✓ Production is a term which has caught the fancy of every industrialist ever since Adam Smith propounded the idea of “specialization of labor”. It is best envisioned as a piece-wise process (think about a typical production line with every worker doing one and only one task at a frenetic speed), and this piece-wise production enabled better quality, higher throughput, lower individual dependency and lesser labor costs. It is a bit hard to fathom that the same fundamental idea is responsible for both cheap cars (Ford pioneered large scale manufacturing sequences through assembly lines) and cheap burgers
- ✓ The production systems are frequently classified in the following buckets:
  - **Mass Production:** Utilizes standardized discrete assemblies in a continuous process, suitable for very large volumes of production—all outputs following the

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same path. Generally associated with mind-numbing repetition, very specific machinery and a labor force low on skill/creativity.

- **Continuous Production:** Non-flexible mode of production in which the whole sequence of operations is pre-arranged in a definite set-up.
  - **Batch production:** American Production and Inventory Control defines batch production as “a form of manufacturing in which the job passes through the functional departments in lots or batches and each lot may have a different routing.” Enough said.
  - **Job Shop Production:** Characterized by custom specifications by customers for a limited quantity of products, use of general purpose machines and comparatively more creative/skilled labor.
- ✓ There are a few decision areas which are of utmost importance in POM, such as design, quality, location selection, human resource allocation, supply chain management and maintenance.
- ✓ The decisions arising from a POM perspective often decide the core priorities of an organization— What makes us better than the competitors? Will we compete on cost, quality, delivery time, design/form factor, ease of use, or something else? Et cetera et cetera.
- ✓ There are some pre-defined objectives of production management, which can be broken down into:
- right quality,
  - right quantity,
  - right time and
  - right cost
  - Production management can essentially be seen as an optimization problem — the goal is to make the process as predictable as possible (as all of us do not share the same enthusiasm for surprises).



- ✓ The objectives of operations management are a tad more extensive and take a couple of things more into the fold: customer service and resource utilization.
  - Almost all the things in operation management converge towards a single focal point: the customer. Customer satisfaction is a barometer of things moving in the right direction.
  - Resource utilization is equally imperative — the process of obtaining the output from input through the path of least resistance, i.e. through least wastage and maximum utilization of resources.
  - Scoring high on one usually leads to deterioration in performance of the other (utilization v/s customer service), and their balance is usually the nightmare of an operations manager — but is definitely a worthy goal to look forward to.

- **Salary and Jobs in Operations Management**

According to Pay Scale, POM is a male dominated profession with highly satisfied professionals (we refrain from making any hasty conclusions). Professionals in Operations management jobs earn a decent pay package as well. Operations management is sufficiently entwined with a couple of terms which have managed to catch the fancy of almost every multi-national corporation out there: supply chain management and logistics.

- **What is Operational Planning?**

Operational planning is what happens when a team or department draws from a company-wide strategic plan and puts it under a microscope. It's future-oriented: it maps out department budgets and goals to propel the success of the strategic plan with specific, team-based activities for the next 1-3 years. Operational plans work best when an entire department buys-in, assigning due dates for tasks, measuring goals for success, reporting on issues and collaborating effectively. They work even better when there's communication across departments to ensure that the whole machine is running smoothly as each team reaches its benchmark. An operational plan draws directly from agency and program strategic plans to describe agency and program missions and goals, program objectives, and program activities. Like a strategic plan, an operational plan addresses four questions:



- ✓ Where are we now?
- ✓ Where do we want to be?
- ✓ How do we get there?
- ✓ How do we measure our progress?

The operations plan is both the first and the last step in preparing an operating budget request. As the first step, the operations plan provides a plan for resource allocation; as the last step, the OP may be modified to reflect policy decisions or financial changes made during the budget development process. Operational plans should be prepared by the people who will be involved in implementation. There is often a need for significant cross-departmental dialogue as plans created by one part of the organization inevitably have implications for other parts.

Operational plans should contain:

- ✓ clear objectives of them
- ✓ activities to be delivered
- ✓ quality standards
- ✓ desired outcomes
- ✓ staffing and resource requirements
- ✓ implementation timetables
- ✓ a process for monitoring progress

### • What Are the Benefits of Operational Planning?

Every plan has a massive effect on all team members involved, and some of those can be to your company's benefit or to their detriment. If it's to their detriment, it's best to find out as soon as possible so you can modify your operational plan and pivot with ease.

But that's the whole point of operational planning: you get to see the effect of your operations on the business's bottom line in real time, or at every benchmark, so you know exactly when to pivot. And with a plan that's as custom to each department as an operational plan, you know exactly where things go wrong and why.



- **How to Make an Operational Plan**

Since operational plans are built in an effort to allocate funds, resources and staff for each 1-3 year time period, all the steps that an operational plan needs to include should ultimately serve that effort.

- **Visualize the Operational Plan**

As with any project plan, it's best to start with the vision. The main features of an operational plan therein include tasks to achieve particular, clearly defined goals, plus the management of your staff to ensure they're functioning at optimum levels. Identify your vision as it pertains to those levels, and then you can begin with the research phase.

- **Research and Identify Goals**

To start building out your operational plan, start by examining your goals. The goal of an operational plan is to address five main questions:

- ✓ What is the budget? Consider where it was last year versus this year.
- ✓ Where is the team now? Approach this from a budgetary perspective, a resources perspective and from a team member perspective.
- ✓ **Where does our team want to be?** Think about this time next year, in two years, in three years, etc...
- ✓ **How do we get the team there?**
- ✓ **What benchmarks should we use to measure our progress?** This can include product launch deadlines, number of manufactured goods, number of customer service cases closed, number of 5-star reviews received, number of customers acquired, revenue increased by a certain percentage and so on.

To answer these questions, you'll need to interview your team members by asking them these questions, and then categorize their answers. Prioritize their responses into a quadrant: easiest to execute → to most difficult to execute, and most important to execute → least important to execute. That's when your goals will begin to take shape and come into focus.



- **Assign Budget and People**

Once you've mapped out your goals, it's important to note that the budget for your operational plan comes from the yearly budget of your department. So, with that said, the budget is the top line to consider as you begin to assign tasks, resources and allocate budget for team members. Get feedback at this stage, too, as you might have someone better suited for the role you've placed them in, or unnecessary stages you can cut from the process entirely.

- **Report on the Operational Plan**

Once you've mapped out your operational plan—which should include clear objectives with deliverables, goals, timetables and staff necessary to achieve the plan—build out a process to report on all of it as the plan progresses. Stakeholders, other department heads, and leadership will want to review your operational plan's progress at each benchmark—whether that be monthly, quarterly or project-based—so be sure to report on all of your findings and ensure that leadership is still on board. Project dashboards can be an easily solution for quick and accurate updates.

- **Adjust the Operational Plan as Needed**

As with any well-planned project, you must always be ready to pivot. Hit a benchmark that delivered less than desirable results? With an operational plan, the activities are so drilled-down that you can now know and understand exactly which part of the plan wasn't performing to optimal levels. Make adjustments, involve team members as needed, get buy-in from stakeholders and continue to the next benchmark with your newly-refined operational plan.

- **Strategic Planning vs. Operational Planning**

Operational planning is to strategic planning as a marketing team is to an organization—it's a part of a whole. Strategic planning encompasses those five questions listed above but exists on a company-wide level to work cross-functionally. Strategic planning is the company's process of defining organizational goals, missions and values (including its long-term direction) to better understand the resources and budget it needs to allocate to ensure the plan's efficacy. This can include defining which actions need to be taken to achieve those goals from a high-level. It doesn't drill down any further than that—teams will assign their own directions as part of the operational planning to make that higher-level strategic plan succeed.



Self-check-1	Written test
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**Instruction: Follow the below selected instruction**

**Multiple choices.**

N°	Questions
1	<p>Which of the following is (are) important consideration(s) concerning activity times?</p> <p>A. Activity time should be obtained from the person responsible for the completion of an activity</p> <p>B. Activity time must be independent of any influence which the preceding or succeeding activity may have on it.</p> <p>C. Activity time may assume that just the normal quantity of resources required to carry out the activity are available.</p>
2	<p>Operational plans should not contain</p> <p>A. Clear objectives of them</p> <p>B. Activities to be delivered</p> <p>C. Quality standards</p>

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 2 points



<b>Information Sheet-2</b>	<b>Purchasing inputs and maintaining adequate inventories</b>
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## 2.1 Purchasing Management

Purchasing or purchase management basically is a function in any enterprise that works to save money and enhance profits. Hence, it becomes one of the most important departments or functions in a manufacturing company. Organizations have realized that cost savings can be achieved if the purchasing decisions are effective. The main function of this department is to procure the material or inputs that are needed for production.

- **Importance of Purchase Management**

Purchasing management is supposed to be a very important department of materials management in any organization. Purchase staff has to manage various vendors and external agencies and thus they represent their organization's reputation to the larger world. They are responsible for negotiating and then finalizing big deals which might mean a lot to their company. Other than that, purchasing management helps in the following:

- ✓ **Controlling the costs**

The purchasing management has to analyze and decide the best suppliers as per the quality of products and most reasonable cost. They also review many other factors like if the vendor or supplier can guarantee timely shipments, what's their reputation in the industry and relevant experience. Changing the vendors again and again is expensive; therefore, finding the best and reliable vendor is very important for controlling costs.

- ✓ **Stabilizing the prices**

Another important role that purchasing management has to achieve price stability. In case the production cost goes up and down, other functions face roadblocks. For example, the marketing function gets confused about what price should be charged to the customers, the finance department faces problem in calculating profits and the accounts cannot gauge the company's cash flow. Purchasing managers are the ones who are responsible for stabilizing

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the production cost by negotiating with suppliers and making long contracts for mutual benefit. They also hedge some items with banks in the form of a forward contract.

### ✓ **Supply Chain Management**

Buyers also ensure that the material or supplies are received on time and are of the expected quality. In case the shipment is delayed or is not of the expected standard, it would affect the complete production chain. Hence, this function is of utmost importance across all industries.

### ✓ **Customer Satisfaction**

Wondering how purchasing department is related to customer satisfaction? Purchase management is responsible for customer satisfaction in the following ways: working towards the best quality of the products and ensuring on-time deliveries. When the purchase department opts for highest quality of supplies or ingredients at reasonable costs, it results in cost savings, which are further passed on to the customers. Therefore, purchasing management has a critical role to play in customer's experience with the final products and the organization.

### ✓ **From a Top Management Perspective:**

There are five rights that every management expects from their purchasing executives:

- Right Quantity
- Right Quantity
- Right quality
- Right Time
- Right Supplier
- Right Cost

### ✓ **From Functional Perspective:**

- Uninterrupted flow of materials and services
- Buying at competitive prices
- Avoiding under-inventory and over-inventory





- To have good relationship with other departments
- In nutshell, purchase management has the following benefits
- Cost reduction or improvement (required utmost to be competitive in market)
- Improved material delivery (required for smooth flow of production)
- Shorter cycle time, including product development cycle times (helpful in fast production)
- Quality improvement (required to satisfy or win the hearts of the customers ultimately)

- **Purchasing Activities**

There are **two** major forms of purchasing activities that take place in an organization:

- ✓ Tactical purchasing
- ✓ Strategic sourcing

### **Tactical Purchasing**

The organizations require some materials for the smooth flow of production. The day to day management of materials flow is called tactical purchasing. These activities generally ensure that products and services are delivered to the right internal people at the right time but are often not carried out using a long term horizon.

### **Strategic Sourcing**

The purchasing which affects the long-term profitability is called strategic purchasing. Strategic sourcing is a part of purchasing activities but in a border sense. In the strategic sourcing process there may include members from other than purchasing department like from engineering, quality, design, manufacturing, marketing and accounting department for managing, developing and integrating with supplier capabilities to achieve competitive advantages like cost reduction, technology development, quality improvement and cycle time reduction.



- **Types of Purchase**

There are mainly two types of purchases; the individual purchase and the organizational purchase. Individual Purchase Individual or personal purchase includes those types of items or products which are purchased for personal or family consumption.

Factors influencing individual purchase behavior:

In general mainly there are four types of influence factors:

- ✓ Cultural Factors
- ✓ Social Factors
- ✓ Personal Factors
- ✓ Psychological Factors

- **Organizational Purchase**

A purchase will be considered to be organizational if it is made in the name of a company or organization, regardless of size, from a medium sized company up to a multinational or state company. Organization consists of business, industries, retailers, wholesaler, government and non- government organizations.

- ✓ Business and industries purchase materials for business use or as a raw material to produce other product.
- ✓ Wholesalers/Retailers/traders buy product for resell at profit.
- ✓ Government organizations purchase products for use in offices or provide services to people.
- ✓ Non-government organizations purchase products to provide services to their client.

- **Purchasing Cycle**

The purchasing cycle begins with a request from within the organization to purchase material, equipment, supplies, or other items from outside the organization, and the cycle ends when the purchasing department is notified that a shipment has been received in satisfactory condition, and managerial accounting is actively involved in each step. The main steps in the cycle are as under:

- ✓ Recognition of need
- ✓ Description of need



- ✓ Selection of suppliers
- ✓ Determination of prices
- ✓ Preparation of purchase order
- ✓ Placing the order with a selected supplier
- ✓ Monitoring and follow up the order
- ✓ Receiving the ordered materials
- ✓ Checking and approving for payment to supplier

- **Characteristics of a Purchasing Manager**

The following pre-requisite traits are required for a purchase manager:

- ✓ **Interpersonal skills**

The purchase manager must have good communication skills. There are many aspects of interpersonal communication such as handling suppliers, respect of other opinion and so on. He or she must be efficient in the same. Analytical Decision Making Purchase manager may face many problems in his or her job like placing order, selection of best supplier, to maintain healthy relationship with supplier, and purchase right materials in right quantity at right time and so on. So, a good purchase manager must have analytical decision making.

- ✓ **Loyal to the Organization**

The purchasing manager is involved in large activities of purchasing materials consistently involving very large financial deals. So, he has to be loyal to the organization and he has to prove his loyalty from time to time.

- ✓ **Computer Literacy**

The purchase manager must be well skilled in computer as he requires use of computer in many activities. If he is computer literate, then he can work efficiently.

- ✓ **Technical skills**

Now-a-days, in production a very highly sophisticated technology is used. Purchase manager must have technical understanding of the business. The purchase manager has enough



technical background to understand the production process, the supplier's processes and scheduling system in order to making improvement.

#### ✓ **Ability to Make Decision**

The purchasing manager has to take quick decisions in line with procurement strategy of organization vis-à-vis liaison with other departments. He or she has to take decisions with quality, market, economic, social and political environment and issues taken into account.

#### ✓ **Innovative**

Innovation is very necessary for survive in the market in present competitive market condition. So, a purchase manager should take innovative decisions related to purchase techniques, maintaining quality, inventory stock, inventory control, re-ordering level and order processing.

#### ✓ **Bargaining Power**

It must be the prime motive of the purchase manager that organization can purchase more and best materials with less cost. For this a purchase manager should have good bargaining power

#### • **What is Inventory?**

**Definition:** Inventory, often called merchandise, refers to goods and materials that a business holds for sale to customers in the near future. In other words, these goods and materials serve no other purpose in the business except to be sold to customers for a profit. They are not used in the produce things or promote the business. The sole purpose of these current assets is to sell them to customers for a profit, but just because an asset is for sale doesn't mean that it's considered inventory.

#### • **Types of inventory:**

According to our inventory definition, there are many different types of inventory and each is accounted for slightly differently.



- **Raw materials**

Raw materials are the building blocks to make finished goods. Ford purchases sheet metal, steel bars, and tubing to manufacture car frames and other parts. When they put these materials into produce and start cutting the bars and shaping the metal, the raw materials become work in process inventories.

- **Work in process –**

Work in process inventory consists of all partially finished products that a manufacturer produces. As the unfinished cars make their way down the assembly line, they are considered a work-in-progress until they are finished.

- **Finished goods –**

Finished goods are exactly what they sound like. These are the finished products that can be sold to wholesalers, retailers, or even the end users. In Ford's case, they are finished cars that are ready to be sent to dealers. Each of these different categories is important and managing them is key to any business' survival. Inventory control is one of the most important concepts for any business especially retailers. Since they purchase goods from manufacturers and resell them to consumers at small margins, they have to manage their purchasing and control the amount of cash that is tied up in merchandise.

- **Inventory Management**

In any business or organization all functions are interlinked and connected to each other and are often overlapping. Some key aspects like supply chain management, logistics and inventory from the backbone of the business delivery function. Therefore these functions are extremely important to marketing managers as well as finance controllers. Inventory management is a very important function that determines the health of the supply chain as well as the impacts the financial health of the balance sheet. Every organization constantly strives to maintain optimum inventory to be able to meet its requirements and avoid over or under inventory that can impact the financial figures. Inventory is always dynamic. Inventory management requires constant and careful evaluation of external and internal factors and control through planning and review.



There are five basic reasons for keeping an inventory have a separate department or job function called inventory planners who continuously monitor, control and review inventory and interface with production, procurement and finance departments.

- **Reasons for keeping stock**

- ✓ **Time** – The time lags present in the supply chain, from supplier to user at every stage, requires that you maintain certain amounts of inventory to use in this lead time. However, in practice, inventory is to be maintained for consumption during 'variations in lead time'. Lead time itself can be addressed by ordering that many days in advance.
- ✓ **Seasonal Demand:** demands varies periodically, but producers capacity is fixed. This can lead to stock accumulation, consider for example how goods consumed only in holidays can lead to accumulation of large stocks on the anticipation of future consumption.
- ✓ **Uncertainty** – Inventories are maintained as buffers to meet uncertainties in demand, supply and movements of goods.
- ✓ **Economies of scale** – Ideal condition of "one unit at a time at a place where a user needs it, when he needs it" principle tends to incur lots of costs in terms of logistics. So bulk buying, movement and storing brings in economies of scale, thus inventory.
- ✓ **Appreciation in Value** – In some situations, some stock gains the required value when it is kept for some time to allow it reach the desired standard for consumption, or for production. For example; beer in the brewing industry

- **Special terms used in dealing with inventory management**

- ✓ **Stock Keeping Unit (SKU)** SKUs are clear, internal identification numbers assigned to each of the products and their variants. SKUs can be any combination of letters and numbers chosen, just as long as the system is consistent and used for all the products in the inventory. An SKU code may also be referred to as product code, barcode, part number or MPN (Manufacturer's Part Number).
- ✓ **Stock out** means running out of the inventory of an SKU.



- ✓ "New old stock" (sometimes abbreviated NOS) is a term used in business to refer to merchandise being offered for sale that was manufactured long ago but that has never been used. Such merchandise may not be produced anymore, and the new old stock may represent the only market source of a particular item at the present time.

- **Typology**

- ✓ Buffer/safety stock
- ✓ Reorder level
- ✓ Cycle stock (Used in batch processes, it is the available inventory, excluding buffer stock)
- ✓ De-coupling (Buffer stock held between the machines in a single process which serves as a buffer for the next one allowing smooth flow of work instead of waiting the previous or next machine in the same process)
- ✓ Anticipation stock (Building up extra stock for periods of increased demand – e.g. ice cream for summer)
- ✓ Pipeline stock (Goods still in transit or in the process of distribution – have left the factory but not arrived at the customer yet)
- ✓ Average Daily/Weekly usage quantity X Lead time in days + Safety stock

- **Inventory examples**

While accountants often discuss inventory in terms of goods for sale, organizations – manufacturers, service-providers and not-for-profits – also have inventories (fixtures, furniture, supplies, etc.) that they do not intend to sell. Manufacturers', distributors', and wholesalers' inventory tends to cluster in warehouses. While the reasons for holding stock were covered earlier, most manufacturing organizations usually divide their "goods for sale" inventory into:

- ✓ Raw materials – materials and components scheduled for use in making a product.
- ✓ Work in process, WIP – materials and components that have begun their transformation to finished goods. These are used in process of manufacture and as such these are neither raw material nor finished goods.
- ✓ Finished goods – goods ready for sale to customers.
- ✓ Goods for resale – returned goods that are salable.





- ✓ Stocks in transit.
- ✓ Consignment stocks.
- ✓ Maintenance supply.
- ✓ Manufacturing

A canned food manufacturer's materials inventory includes the ingredients to form the foods to be canned, empty cans and their lids (or coils of steel or aluminum for constructing those components), labels, and anything else (solder, glue, etc.) that will form part of a finished can. The firm's work in process includes those materials from the time of release to the work floor until they become complete and ready for sale to wholesale or retail customers. This may be vats of prepared food, filled cans not yet labeled or sub-assemblies of food components. It may also include finished cans that are not yet packaged into cartons or pallets. Its finished good inventory consists of all the filled and labeled cans of food in its warehouse that it has manufactured and wishes to sell to food distributors (wholesalers), to grocery stores (retailers), and even perhaps to consumers through arrangements like factory stores and outlet centers.

#### ✓ **Capital projects**

The partially completed work (or work in process) is a measure of inventory built during the work execution of a capital project, such as encountered in civilian infrastructure construction or oil and gas. Inventory may not only reflect physical items (such as materials, parts, partially-finished sub-assemblies) but also knowledge work-in-process (such as partially completed engineering designs of components and assemblies to be fabricated).

#### ✓ **Virtual inventory**

A "virtual inventory" (also known as a "bank inventory") enables a group of users to share common parts, especially where their availability at short notice may be critical but they are unlikely to require by more than a few bank members at any one time. Virtual inventory also allows distributors and fulfillment houses to ship goods to retailers direct from stock regardless of whether the stock is held in a retail store, stock room or warehouse.





- **Costs associated with inventory**

There are several costs associated with inventory:

- ✓ Ordering cost
- ✓ Setup cost
- ✓ Holding Cost
- ✓ Shortage Cost

- **Principle of inventory proportionality**

Inventory proportionality is the goal of demand-driven inventory management. The primary optimal outcome is to have the same number of days' (or hours', etc.) worth of inventory on hand across all products so that the time of run out of all products would be simultaneous. In such a case, there is no "excess inventory," that is, inventory that would be left over of another product when the first product runs out. Excess inventory is sub-optimal because the money spent to obtain it could have been utilized better elsewhere, i.e. to the product that just ran out.

- **Applications**

The technique of inventory proportionality is most appropriate for inventories that remain unseen by the consumer, as opposed to "keep full" systems where a retail consumer would like to see full shelves of the product they are buying so as not to think they are buying something old, unwanted or stale; and differentiated from the "trigger point" systems where product is reordered when it hits a certain level; inventory proportionality is used effectively by just-in-time manufacturing processes and retail applications where the product is hidden from view.

- **High-level inventory management**

It seems that around 1880 there was a change in manufacturing practice from companies with relatively homogeneous lines of products to horizontally integrated companies with unprecedented diversity in processes and products.

- ✓ Cost of Beginning Inventory at the start of the period + inventory purchases within the period + cost of production within the period = cost of goods available



- ✓ Cost of goods available – cost of ending inventory at the end of the period = cost of goods sold

The benefit of these formulas is that the first absorbs all overheads of production and raw material costs into a value of inventory for reporting. Inventory turnover ratio (also known as inventory turns) = cost of goods sold / Average Inventory = Cost of Goods Sold / ((Beginning Inventory + Ending Inventory) / 2) and its inverse

Average Days to Sell Inventory = Number of Days a Year / Inventory Turnover Ratio = 365 days a year / Inventory Turnover Ratio

can vary hidden under this appearance of simplicity that a variety of 'adjusting' assumptions may be used. These include:

- Specific Identification
- Lower of cost or market
- Weighted Average Cost
- Moving-Average Cost
- FIFO and LIFO.
- Queuing theory.

### ✓ **Accounting for inventory**

Each country has its own rules about accounting for inventory that fit with their financial-reporting rules. It is intentional that financial accounting uses standards that allow the public to compare firms' performance, cost accounting functions internally to an organization and potentially with much greater flexibility. A discussion of inventory from standard and Theory of Constraints-based (throughput) cost accounting perspective follows some examples and a discussion of inventory from a financial accounting perspective.

### ✓ **Financial accounting**

An organization's inventory can appear a mixed blessing, since it counts as an asset on the balance sheet, but it also ties up money that could serve for other purposes and requires additional expense for its protection. Role of inventory accounting. By helping the organization to make better decisions, the accountants can help the public sector to change in a very positive way that delivers increased value for the taxpayer's investment. It can also help to



incentive's progress and to ensure that reforms are sustainable and effective in the long term, by ensuring that success is appropriately recognized in both the formal and informal reward systems of the organization.

#### ✓ **FIFO vs. LIFO accounting**

When a merchant buys goods from inventory, the value of the inventory account is reduced by the cost of goods sold (COGS). This is simple where the cost has not varied across those held in stock; but where it has, then an agreed method must be derived to evaluate it. For commodity items that one cannot track individually, accountants must choose a method that fits the nature of the sale. Two popular methods in use are: FIFO (first in – first out) and LIFO (last in – first out). FIFO treats the first unit that arrived in inventory as the first one sold. LIFO considers the last unit arriving in inventory as the first one sold. Which method an accountant selects can have a significant effect on net income and book value and, in turn, on taxation. Using LIFO accounting for inventory, a company generally reports lower net income and lower book value, due to the effects of inflation. This generally results in lower taxation. Due to LIFO's potential to skew inventory value, UK GAAP and IAS have effectively banned LIFO inventory accounting. LIFO accounting is permitted in the United States subject to section 472 of the Internal Revenue Code.

#### ✓ **Standard cost accounting**

Standard cost accounting uses ratios called efficiencies that compare the labour and materials actually used to produce a good with those that the same goods would have required under "standard" conditions. As long as actual and standard conditions are similar, few problems arise. Unfortunately, standard cost accounting methods developed about 100 years ago, when labor comprised the most important cost in manufactured goods. Standard methods continue to emphasize labor efficiency even though that resource now constitutes a (very) small part of cost in most cases.

#### • **National accounts**

Inventories also play an important role in national accounts and the analysis of the business cycle. Some short-term macroeconomic fluctuations are attributed to the inventory cycle.



- **Distressed inventory**

Also known as distressed or expired stock, distressed inventory is inventory whose potential to be sold at a normal cost has passed or will soon pass. In certain industries it could also mean that the stock is or will soon be impossible to sell. Examples of distressed inventory include products which have reached their expiry date, or have reached a date in advance of expiry at which the planned market will no longer purchase them (e.g. 3 months left to expiry), clothing which is out of fashion, music which is no longer popular and old newspapers or magazines.

- ✓ **Stock rotation**

Stock rotation is the practice of changing the way inventory is displayed on a regular basis. This is most commonly used in hospitality and retail - particularly where food products are sold. For example, in the case of supermarkets that a customer frequents on a regular basis, the customer may know exactly what they want and where it is. This results in many customers going straight to the product they seek and do not look at other items on sale. To discourage this practice, stores will rotate the location of stock to encourage customers to look through the entire store. This is in hopes the customer will pick up items they would not normally see.

- ✓ **Inventory credit**

Inventory credit refers to the use of stock, or inventory, as collateral to raise finance. Where banks may be reluctant to accept traditional collateral, for example in developing countries where land title may be lacking, inventory credit is a potentially important way of overcoming financing constraints. This is not a new concept; archaeological evidence suggests that it was practiced in Ancient Rome. Obtaining finance against stocks of a wide range of products held in a bonded warehouse is common in much of the world.

- ✓ **Management Control of Production and Operations:**

Production activities or operations ensure optimal utilization of production capacities and minimize wastages and the downtime of machines. In a manufacturing organization, the production activity involves the conversion of inputs to outputs and operations cover the dimension of processes involved in procuring the inputs to ensuring optimal supply to the customers or consumers and satisfaction of their needs. The various activities executed during the production process are called production operations. Operations management and control

**Self-check-2****Written test**

**Instruction: Follow the below selected instruction**

**Multiple choices.**

N°	Questions
1	There are several costs associated with inventory those are: A. Ordering cost B. Setup cost C. Holding Cost D. Shortage Cost E. None F. ALL
2	Treats the first unit that arrived in inventory as the first one sold. A. FIFO B. LIFO C. Weighted Average Cost

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 2 points



Information Sheet-3	Checking and controlling production /operation process
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### 3.1 Checking and controlling production /operation process control

Is a statistical and engineering discipline that deals with the design and mechanisms for maintaining the output of a specific process within a desired range. These activities are involved in ensuring a process is predictable, stable, and consistently operating at the target level of performance with only normal variation. Process control enables mass production of continuous process as well a level of automation by which a small staff may operate a complex process from a central control room.

- **Production Control: Necessity, Objectives and Procedure**

- ✓ **Necessity of Production Control:**

Production process of an organization is a system consisting of resources like materials, machines and manpower combined together with some constraints imposed by operations. The input variables/factors (like materials, manpower and utilities) in the production process are always uncontrollable. The controller of a production process tries to check the output so as to meet the targets of production desired by the marketing department. Production control tries to channelize the production process in such a way that items/goods and services are produced as per the consumer requirements, i.e., of right quality, in right quantity at right/desired time and cheapest rates.

- **Objectives and Advantages of Production Control:**

Sound production control may result in many tangible and intangible advantages if properly Utilized. The following are the objectives and benefits under the four sub-headings of Direction, Co-ordination, Control and Innovation:

**Direction:**

- Efforts can be directed to those areas of production that will contribute towards accomplishment of a given objective.
- Programme can be closely geared as consumer requirements.

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- Manufacturing cycles are shortened resulting in reduction of in process inventory costs and consumer satisfaction.
- Work must be performed as per pre-planned schedules through distribution of the jobs/work according to the objective needs of the schedules.
- Supervisory staff is directed to take corrective measure whenever and wherever required.

#### **Co-ordination:**

- The workers/employees of the enterprise can be provided awareness regarding their role in the business.
- Customer can be provided information about the status of his order.
- Overall cost will go down in view of systematization and reduction in paper work involved.
- By the greater utilization of resources through sound loading & scheduling production is increased.

#### **Control:**

- Less time required for analysis of reports by the management.
- Necessary information is available for the determination of when and where preventive/corrective measures are required. It provides a yardstick to the management for knowing the work progress.

#### **Innovation:**

- Time becomes available to work out details that would otherwise be left to advance planning.
- It becomes a necessity that all activities of production are time phased.
- More flexibility in the manufacturing operations is obtained so that we can accept and deliver the occasional use order for the odd product which gives us a new consumer or additional business from an old consumer.
- Production Control Procedure:



This procedure consists of following four functions

- ✓ Routing: Connected with where the work is to be done
- ✓ Scheduling: Connected with when the work is to be done.
- ✓ Dispatching: Connected with starting the work in the plant.
- ✓ Factors Determining the Production Control Procedure

The nature of the production control operations varies from organization to organization.

The following factors determine the nature and magnitude of the production control methods in an enterprise:

- ✓ Nature of Production.
- ✓ Nature of Manufacturing Processes.
- ✓ Magnitude of Operations.

• **In general the following types of manufacturing activities exist:**

- ✓ Job Order Manufacturing or Manufacturing to Order: In this type of manufacturing, the order may not be repeated at all or at regular intervals e.g. job order foundries, repair shops etc.
- ✓ Mass Production or Manufacturing to be stocked: Under this system the product is manufactured on mass scale or it is repetitive production. The inventory of finished product may be kept in stock to meet future demand e.g. manufacture of cycles, automobiles, watches, clocks etc.
- ✓ Manufacture to be stocked in Non-Engineering Industries: Like manufacturing of garments and shoes.
- ✓ Continuous Production or Manufacture for Stock: Like manufacturing of food products, soaps and chemicals etc.
- ✓ In repetitive manufacturing the production time is less but the inventory problems are complex whereas in non-repetitive operations production time is more and other problems are less.
- ✓ Nature of Manufacturing Processes: As discussed earlier the degree of control with varied manufacturing process is higher. Production control gets simplified to its minimum if a single and homogeneous product is treated by a fixed sequence of





operations in a continuous manner as in chemical and paper industries. In continuous production systems like cycles, sewing machines etc. repetitive operations occur. Many components and parts are produced from different materials and adjustments in the control procedure to suit the requirements of each order.

- ✓ **Magnitude of Operations:** This refers to the size of the plant or enterprise in question. In small scale industries control may be more informal since it is more personal and direct. In a big industry the control problem goes complex and depends upon scope of operations and layout of the unit. In such conditions control may be centralized or decentralized. Centralized control secures the most effective co-ordination but as an organization grows in size, decentralization of some production control function becomes necessary.

- **Elements of Successful Production Control Procedure:**

**The following are the elements:**

- ✓ **Control of Activities:** It is concerned with release of dispatch orders for setting the plans in motion at assigned times.
- ✓ **Control of Materials:** It is related with issuing the material/goods, and movements within the shops and in relation to planned and actual dates of delivery of products.
- ✓ **Control of Tooling:** It is connected with checks on progress of tool design if needed, on purchase or manufacture of tools. It is also concerned with issue of tools to various departments from the tool room.
- ✓ **Control of Due Dates:** It is related with observation of machine loading and recognition of delays or break down if any which may interfere with due dates of work load assigned to various machines.
- ✓ **Control of Quantity and Quality:** It is concerned with determination of the work progress whether the planned target regarding quantity is being met and if the product has been processed in accordance with pre-planned standards of quality.
- ✓ **Control of Replacements:** It is the observation of quality of input materials and work in process that falls in the various stages of inspection and is connected with issuance of orders for replacing such materials or products (finished or semi-finished).



- ✓ (7) Adjustment of Ideal Quantity: It is the check off the completed works as per scheduled and route sheets and adjustment of semi-finished jobs to idle machines in order to achieve production targets.
- ✓ Control of Material Handling: Observation and check on movement of work by various means of inter departmental transportation.
- ✓ Complex Production Control System will Result with the Followings:
  - ✓ Number of components and parts in the product
  - ✓ Number of different operations on each component/pail
  - ✓ Fixed sequence of operations to be followed.
  - ✓ Machines of different capacities for different categories of work.
  - ✓ Degree of sub-assemblies.
  - ✓ Number of customer's order with specific delivery dates.
  - ✓ Number of orders for many small lots
- ✓ Following Factors Lead to Simple Production Control System
  - ✓ No specification for delivery dates i.e. products or components are for stock.
  - ✓ Fixed capacity of equipment/machines or processes.
  - ✓ No change in method of operation of machines.

- **Warehousing and Distribution**

- ✓ Stock Arrangement
  - All stock shall be stored 18 inches from the wall and 5 inches off the floor.
  - All stock shall be stored in a clean and dry environment.
  - Finished goods, raw materials and quarantined damaged goods shall be stored separately.
  - All stock shall be stored in an orderly manner and properly stacked to prevent damage.
  - All partially used ingredient or packaging containers shall be properly resealed or covered to preclude contamination.
  - All pallets, racks and shelving shall be clean and in good repair.
  - All damaged finished product shall be disposed of in a timely manner.
  - All stock shall be rotated on a first-in, first-out (FIFO) basis.



- Finished product, packaging material, equipment or ingredients will not be stored in close proximity to any chemicals, cleaning compounds, pesticides or odorous materials.

#### ✓ **Product Protection**

- All ingredients, packaging material and finished products shall be handled, stored or processed in such a manner as to assure a safe, wholesome and unadulterated product.
- All pesticides shall be stored in a locked area and separated from all ingredients, cleaning material, equipment/utensils and sanitizers.
- All sanitizers, cleaning compounds, and chemicals shall be stored separately from all ingredients, packaging material and finished product in such a manner as to prevent any contamination.
- There will be no flaking or peeling paint, static product, soil buildup, or rust on or above product zones.
- All product or product containers shall be adequately protected to preclude contamination.
- There will be no condensation above product zones.

#### ✓ **Production Controls**

- All operations in the receiving, inspecting, transporting, segregating, preparing, manufacturing, packaging, and storing of food shall be conducted in accordance with adequate sanitation principles.
- All reasonable precautions shall be taken to ensure that production procedures do not contribute contamination from any source.
- Chemical, microbial, or extraneous material testing procedures shall be used where necessary to identify failures or possible food contamination.
- All food that has become contaminated to the extent that it is adulterated within the meaning of the act shall be rejected, or if permissible, treated or processed to eliminate contamination.



- Appropriate quality control operations shall be employed to ensure that food is suitable for human consumption and that food packaging materials are safe and suitable.
- Overall sanitation of the plant shall be under the supervision of one or more competent individuals assigned responsibility for this function.
- Effective measures shall be taken to protect finished food from contamination by raw materials, other ingredients, or refuse.



<b>Self-check-3</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

<b>N°</b>	<b>Questions</b>
<b>1</b>	Process control is a statistical and engineering discipline that deals with the design and mechanisms for maintaining the output of a specific process within a desired range.
<b>2</b>	Change in method of operation of machines Lead to Simple Production Control System.

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 2 points



Information Sheet-4	Applying and maintaining quality control
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#### 4.1 Applying and maintaining quality control

Quality control (QC) is a process through which a business seeks to ensure that product quality is maintained or improved. Quality control requires the business to create an environment in which both management and employees strive for perfection. This is done by training personnel, creating benchmarks for product quality and testing products to check for statistically significant variations.

A major aspect of quality control is the establishment of well-defined controls. These controls help standardize both production and reactions to quality issues. Limiting room for error by specifying which production activities are to be completed by which personnel reduces the chance that employees will be involved in tasks for which they do not have adequate training.

- **Understanding Quality Control**

Quality control involves testing of units and determining if they are within the specifications for the final product. The purpose of the testing is to determine any needs for corrective actions in the manufacturing process. Good quality control helps companies meet consumer demands for better products.

- **The Role of Quality Control Inspectors**

Quality control inspectors protect the consumer from defective products and the company from damage to its reputation due to inferior manufacturing processes. If the testing process reveals issues with the product, the inspector has the option of fixing the problem himself, returning the product for repairs or tagging the product for rejection. When issues arise, the inspector notifies supervisors and works with them to correct the problem.

- **How to Establish Quality Control Processes**

When you think of quality control, you probably think of manufacturing businesses inspecting products for flaws. In reality, quality control processes can be used in all types of businesses, whether they are product-based or service-based.

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Quality control is a key component of a well-run business. A quality control program helps to ensure your small business is delivering a consistent product, service and customer experience. Developing quality control processes allows your business to operate without you, making it easier to expand into new locations, delegate duties and even sell your business when the time comes.

- **Here are 6 steps to develop a quality control process:**

- i. Set your quality standards**

In some industries, you may have to meet quality standards set by an outside body, such as an industry association, the local health and safety inspector, or a government regulatory agency. In others, there aren't any official quality standards, so you'll need to set your own.

Each department of your business will have different quality control standards. However, they must all be objectively measurable. For example, if you're developing quality control standards for your customer service team, "sounding friendly on the phone" is not a measurable standard. Measurable standards might include:

- ✓ Answering all customer calls by the second ring
- ✓ Responding to all customer service emails within four hours
- ✓ Resolving customer service problems in five minutes or less

- ii. Decide which quality standards to focus on.**

Of course, you want to ensure quality in all aspects of your operation. However, begin by focusing on the most important measures — those that have the biggest effect on your profits and your customer experience. This will enable you to get results quickly and also keeps you and your team from becoming overwhelmed.

- iii. Create operational processes to deliver quality.**

W. Edwards Deming, the founder of modern quality control, believed that well-designed processes lead to high-quality products and services. If you create good processes, continually measure the results of the processes, and work to consistently improve the process, your product or service will get better and better.

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**iv. Review your results.**

Most business software, from financial and accounting apps to customer relationship management or customer service tools, lets you customize the information you collect and use dashboards to view it at a glance. Review your data regularly to see how well your company is meeting its quality standards.

**v. Get feedback.**

Use measurable feedback from external sources, such as customer surveys, online ratings and reviews and net promoter scores (NPS), to get a fuller picture of product and service quality. Also, get regular feedback from employees. How well are the operational processes working to deliver quality? How could they be improved?

**vi. Make improvements.**

Once you're meeting your quality control standards, don't stop there. For example, if you own a residential cleaning service business and you can cut the time it takes your maids to clean a home by 25 percent, you'll be able to handle 25 percent more business without hiring any additional employees. That will really boost your bottom line. No matter how well your processes are running, quality control shows there's always room for improvement, and making small changes can pay off in big ways.





<b>Self-check-4</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

**Multiple choices**

<b>N°</b>	<b>Questions</b>
<b>1</b>	Quality control (QC) is a process through which a business seeks to ensure that product quality is maintained or improved.
<b>2</b>	Quality control inspectors protect the consumer from good products and the company from damage to its reputation due to inferior manufacturing processes

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 2 points



# **Solar PV System Installation and Maintenance**

**Level IV**

## **Learning Guide- 64**

<b>Unit of Competence</b>	<b>Manage and Maintain Small/Medium Business Operations</b>
<b>Module Title</b>	<b>Managing and Maintaining Small/Medium Business Operations</b>
<b>LG Code</b>	<b>EIS PIM4 M15 LO6-LG64</b>
<b>TTLM Code</b>	<b>EIS PIM4 0920V1</b>

### **LO 6: Maintain financial records and use for decision making**



<b>Instruction Sheet</b>	<b>Learning Guide -64</b>
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This learning guide is developed to provide you the necessary information, knowledge, skills and attitude regarding the following content coverage and topics:-

Objective and benefits of financial records

- Identifying and recording asset, liabilities and capital.
- Balance sheet and different journals
- Business transactions
- Maintaining daily financial records.
- Preparing and distributing Invoices and payments.
- Collecting or following-up Outstanding accounts.
- Revenue, expense and costs.
- Different ledgers and subsidiary ledgers.
- Preparing profit and loss report
- conducting financial interpretation with appropriate person
- Preparing financial manual.

This guide will also assist you to attain the learning outcome stated in the cover page.

Specifically, upon completion of this Learning Guide, you will be able to:-

- Identify and record asset, liabilities and capital.
- Balance sheet and different journals
- Business transactions
- Maintain daily financial records.
- Prepare and distribute Invoices and payments.
- Collect or following-up outstanding accounts.
- Revenue, expense and costs.
- Different ledgers and subsidiary ledgers.
- Prepare profit and loss report
- conduct financial interpretation with appropriate person
- Prepare financial manual.



### **Learning Instructions:**

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks



Information Sheet-1	Objective and benefits of financial records
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## 1.1 Objective and benefits of financial records

Financial record is the formal documents, which represents the transactions of a business, an individual or any other organization. Financial record is being maintained by companies including income statement, balance sheet, cash flow statement, statement of retained earnings, and tax returns. Keeping the financial record in an organized way is a key indication of a successful business.

- **Benefits of Keeping Good Accounting Records**

It is very important that business owners make a habit of recording their business transactions every day. It will assist in making informed, efficient and precise decisions at any time. Proper Bookkeeping involves maintaining up to date accounting system, which includes recording business transactions as they occur, as well as keeping important receipts or bills for substantiating all expenses incurred on behalf of the business. The advantages of keeping good accounting records can't be overemphasized and some are:

- i. **Well-kept records means tax saving**

Well-kept accounting records act as a reminder of a person's deductible credits and expenses. It's only by keeping correct records of business expenses that owners are able to proof various expenses that were incurred while carrying out business operations. By doing this, they are not forced to rely on memory. This means they only pay what is due, no more or less, as their records remind them of all the expenses they are entitled to claim against their income.

- ii. **Good accounting records act as backup for all income and business expenses incurred in time of audit**

Without good records, tax auditors may be forced to make decisions based on their "best judgment" of what value the income and expenses may be, according to the size, location or type of a business. Additionally, without the right records, industry standards might be used as a guide in the audit of a business.

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**iii. Good records shorten the length of time that an audit takes to be completed**

If a business is chosen for audit, the business owner will be asked to produce the necessary backups to the info filed on the income tax return. Once the business operator has produced the right records, then the tax auditor will be able to examine the records provided and make a timely decision on the accuracy of those records. The auditor, will therefore spend less time at the business.

**iv. Good record keeping complies with the law**

One of the main advantages of keeping good accounting records is to comply with the law.

By simply being organized, businesses not only enjoy the above benefits, but also stay within the law.

**v. Records keep owners informed about their businesses financial position**

With the right records, a business owner can identify areas for expansion or improvements. Proper records also help the business owner to secure financing for the business. Additionally, proper analysis of records, can help in making strategic decision of changing business focus.

**vi. Avoid interest and penalties**

Proper accounting records help business owners to avoid interest and penalties as they make it easier for them to pay the right amount of tax and at the right time. Penalties are here forever (if any), but proper records can help business owners avoid them. By the time the deadline comes, everything should be in good order ready for filing.

- **What is the objective of financial reporting?**

The objective of financial reporting is to track, analyze and report your business' income. The purpose of these reports is to examine resource usage, cash flow, business performance and the financial health of the business. This helps you and your investors make informed decisions about how to manage the business. There are three main goals of financial reporting:



<b>Self-check-1</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

<b>N°</b>	<b>Questions</b>
<b>1</b>	Financial record is the formal documents, which represents the transactions of a business, an individual or any other organization.
<b>2</b>	Objective of financial reporting is to track, analyze and report your business' income.

**Note: the satisfactory rating is as follows**

Satisfactory	2 points
Unsatisfactory	Below 2 points



Information Sheet-2	Identifying and recording asset, liabilities and capital
---------------------	--

## 2.1 Elements of Accounting: Assets, Liabilities, and Capital

The three major elements of accounting are: Assets, Liabilities, and Capital. These terms are used widely in accounting so it is necessary that we take a close look at each element. But before we go into them, we need to understand what an "account" is first.

### •What is an Account?

The term "account" is used often in this tutorial. Thus, we need to understand what it is before we proceed. In accounting, an account is a descriptive storage unit used to collect and store information of similar nature.

Now, let's take a look at the accounting elements.

#### ✓ **Assets**

Assets refer to resources owned and controlled by the entity as a result of past transactions and events, from which future economic benefits are expected to flow to the entity. In simple terms, assets are properties or rights owned by the business. They may be classified as current or non-current.

#### ➤ **Current assets**

Assets are considered current if they are held for the purpose of being traded, expected to be realized or consumed within twelve months after the end of the period or its normal operating cycle (whichever is longer), or if it is cash. Examples of current asset accounts are:

- ❖ Cash and Cash Equivalents – bills, coins, funds for current purposes, checks, cash in bank,
- ❖ Receivables – Accounts Receivable (receivable from customers), Notes Receivable (receivables supported by promissory notes), Rent Receivable, Interest Receivable, Due from Employees (or Advances to Employees), and other claims
- ❖ Allowance for Doubtful Accounts – This is a valuation account which shows the estimated uncollectible amount of accounts receivable. It is a contra-asset

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account and is presented as a deduction to the related asset – accounts receivable.

- ❖ Inventories – assets held for sale in the ordinary course of business
- ❖ Prepaid expenses – expenses paid in advance, such as, Prepaid Rent, Prepaid Insurance, Prepaid Advertising, and Office Supplies

### ➤ **Non-current assets**

Assets that do not meet the criteria to be classified as current. Hence, they are long-term in nature – useful for a period longer than 12 months or the company's normal operating cycle. Examples of non-current asset accounts include:

- ❖ **Long-term investments** – investments for long-term purposes such as investment in stocks, bonds, and properties; and funds set up for long-term purposes
  - ❖ **Land** – land area owned for business operations (not for sale)
  - ❖ **Building** – such as office building, factory, warehouse, or store
  - ❖ **Equipment** – Machinery, Furniture and Fixtures (shelves, tables, chairs, etc.), Office Equipment, Computer Equipment, Delivery Equipment, and others
- **Accumulated Depreciation** – This is a valuation account which represents the decrease in value of a fixed asset due to continued use, wear & tear, passage of time, and obsolescence. It is a contra-asset account and is presented as a deduction to the related fixed asset.
  - ✓ **Intangibles** – long-term assets with no physical substance, such as goodwill, patent, copyright, trademark, etc.

- **Liabilities**

Liabilities are economic obligations or payables of the business.

Company assets come from 2 major sources – borrowings from lenders or creditors, and contributions by the owners. The first refers to liabilities; the second to capital. Liabilities represent claims by other parties aside from the owners against the assets of a company. Like assets, liabilities may be classified as either current or non-current.



- ✓ **Current liabilities** – A liability is considered current if it is due within 12 months after the end of the balance sheet date. In other words, they are expected to be paid in the next year.

If the company's normal operating cycle is longer than 12 months, a liability is considered current if it is due within the operating cycle.

Current liabilities include:

- ✓ Trade and other payables – such as Accounts Payable, Notes Payable, Interest Payable, Rent Payable, Accrued Expenses, etc.
- ✓ Current provisions – estimated short-term liabilities that are probable and can be measured reliably
- ✓ Short-term borrowings – financing arrangements, credit arrangements or loans that are short-term in nature

- **Capital**

Also known as net assets or equity, capital refers to what is left to the owners after all liabilities are settled. Simply stated, capital is equal to total assets minus total liabilities. Capital is affected by the following:

- ✓ Initial and additional contributions of owner/s (investments)
- ✓ Withdrawals made by owner/s (dividends for corporations)
- ✓ Income, and
- ✓ Expenses

Owner contributions and income increase capital. Withdrawals and expenses decrease it.

The terms used to refer to a company's capital portion varies according to the form of ownership. In a sole proprietorship business, the capital is called Owner's Equity or Owner's Capital; in partnerships, it is called Partners' Equity or Partners' Capital; and in corporations, Stockholders' Equity.



- **Income**

Income refers to an increase in economic benefit during the accounting period in the form of an increase in asset or a decrease in liability that results in increase in equity, other than contribution from owners. Income encompasses revenues and gains. Revenues refer to the amounts earned from the company's ordinary course of business such as professional fees or service revenue for service companies and sales for merchandising and manufacturing concerns. Gains come from other activities, such as gain on sale of equipment, gain on sale of short-term investments, and other gains. Income is measured every period and is ultimately included in the capital account. Examples of income accounts are: Service Revenue, Professional Fees, Rent Income, Commission Income, Interest Income, Royalty Income, and Sales.

- **Expense**

Expenses are decreases in economic benefit during the accounting period in the form of a decrease in asset or an increase in liability that result in decrease in equity, other than distribution to owners. Expenses include ordinary expenses such as Cost of Sales, Advertising Expense, Rent Expense, Salaries Expense, Income Tax, Repairs Expense, etc.; and losses such as Loss from Fire, Typhoon Loss, and Loss from Theft. Like income, expenses are also measured every period and then closed as part of capital.



<b>Self-check-2</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong..

<b>N°</b>	<b>Questions</b>
<b>1</b>	Liability refers to resources owned and controlled by the entity as a result of past transactions and events, from which future economic benefits are expected to flow to the entity.
<b>2</b>	Capital refers to what is left to the owners after all liabilities are settled.
<b>3</b>	Assets are economic obligations or payables of the business.

**Note: the satisfactory rating is as followed**

Satisfactory	2 and Above 2 points
Unsatisfactory	Below 2 points



### 3.1 Balance sheet and different journals

A balance sheet gives a statement of a business's assets, liabilities and shareholders' equity at a specific point in time. They offer a snapshot of what your business owns and what it owes as well as the amount invested by its owners, reported on a single day. A balance sheet tells you a business's worth at a given time, so you can better understand its financial position.

- **What Items Are on a Balance Sheet?**

A balance sheet reports the assets, liabilities and shareholders' equity of your business at a given point in time. The items reported on the balance sheet correspond to the accounts outlined on your chart of accounts. A balance sheet is made up of the following elements:

- **Assets**

The assets section of the balance sheet breaks down what your business owns of value that can be converted into cash. Your balance sheet will list your assets in order of liquidity; that is, it reports assets in order of how easily they can be converted to cash. There are two main categories of assets included on your balance sheet:

- ✓ **Current Assets**

Current assets can easily be converted to cash within a year or less. Current assets are further broken down on the balance sheet into these accounts:

- **Cash and cash equivalents:** These are your most liquid assets, including currency, checks and money stored in your business's checking and savings accounts
- **Marketable securities:** Investments that you can sell within a year
- **Accounts receivable:** Money that your clients owe you for your services that will be paid in the short term
- **Inventory:** For businesses that sell goods, inventory includes finished products and raw materials
- **Prepaid expenses:** Things of value that you've already paid for, like your office rent or your business insurance



- ✓ **Long-Term Assets:** Long-term assets won't be converted to cash within a year.

They can be further broken down into:

- **Fixed assets:** Includes property, buildings, machinery and equipment like computers
- **Long-term securities:** Investments that can't be sold within one year
- **Intangible assets:** Assets that aren't physical objects, such as copyrights, franchise agreements and patents
- **Liabilities**

The next section of a balance sheet lists a company's liabilities. Your liabilities are the money that you owe to others, including your recurring expenses, loan repayments and other forms of debt. Liabilities are further broken down into current and long-term liabilities. Current liabilities include rent, utilities, taxes, current payments toward long-term debts, interest payments and payroll. Long-term liabilities include long-term loans, deferred income taxes and pension fund liabilities.

- **Shareholders' Equity**

Shareholders' equity refers to the amount of money generated by a business, the amount of money put into the business by its owners (or shareholders) and any donated capital. Shareholders equity is your net assets. On your balance sheet it's calculated using this formula: Stakeholders Equity = Total Assets – Total Liabilities

- **Balancing a Balance Sheet**

When creating a balance sheet for your business it's important to understand that, as the name suggests, your balance sheet must always be balanced. A balance sheet is divided into two sections, with one side representing your business's assets and the other showing its liabilities and shareholders' equity. The total value of your assets must be equal to the combined value of your liabilities and equity. When that's the case, your document is said to be in balance. This idea is represented by the foundational formula of balance sheets:

Assets = Liabilities + Shareholder Equity



**Figure 3 the Balance Sheet**

- **Why Is a Balance Sheet Important?**

A balance sheet is an important financial statement that gives a snapshot of the financial health of your business at a point in time. You can also look at your balance sheet in conjunction with your other financial statements to better understand the relationships between different accounts. A balance sheet is important because it provides the following insights about your business:

- **Liquidity**

By comparing your business's current assets to its current liabilities, you'll get a clear picture of the liquidity of your company, or how much cash you have readily available. You always want to have a buffer between your current assets and liabilities to cover your short-term financial obligations, with assets always greater than liabilities.

- **Efficiency**

By comparing your income statement to your balance sheet, you can measure how efficiently your business uses its assets. For example, you can get an idea of how well your company is able to use its assets to generate revenue.





- **Leverage**

Your balance sheet can help you understand how much leverage your business has, which tell you how much financial risk you face. To judge leverage, you can compare the debts to the equity listed on your balance sheet.

- **Balance Sheet Example**

This example of a completed balance sheet from Accounting Play can help you better understand what information is reported on a balance sheet, how it's laid out and how the two sides of the balance sheet balance each other out. This example of a completed balance sheet from Accounting Play can help you better understand what information is reported on a balance sheet, how it's laid out and how the two sides of the balance sheet balance each other out.

Balance sheet example			
TEDDY FAB INC. BALANCE SHEET December 31, 2100			
ASSETS		LIABILITIES AND SHAREHOLDERS' EQUITY	
<b>Current assets</b>		<b>Current liabilities</b>	
Cash and cash equivalents	\$ 100,000	Accounts payable	\$ 30,000
Accounts receivable	20,000	Notes payable	10,000
Inventory	15,000	Accrued expenses	5,000
Prepaid expense	4,000	Deferred revenue	2,000
Investments	10,000	Total current liabilities	47,000
Total current assets	149,000		
<b>Property and equipment</b>		Long-term debt	200,000
Land	24,300	Total liabilities	247,000
Buildings and improvements	250,000		
Equipment	50,000	<b>Shareholders' Equity</b>	
Less accumulated depreciation	(5,000)	Common stock	10,000
<b>Other assets</b>		Additional paid-in capital	20,000
Intangible assets	4,000	Retained earnings	197,100
Less accumulated amortization	(200)	Treasury stock	(2,000)
Total assets	\$ 472,100	Total liabilities and shareholders' equity	\$ 472,100

Figure 4: Example of Balance Sheet





- **What Are the Four Basic Financial Statements?**

The balance sheet is one element in a series of four basic financial statements that together give an overview of your business's financial performance. These are the four basic financial statements and how they're used to evaluate a business's finances:

- **Income Statement:** A business's income statement, also called a profit and loss statement, reports the revenues, expenses and profits or losses generated during a specific reporting period. It's considered to be the most important of the four financial statements because it shows the profits a business is generating.
- **Balance Sheet:** A balance sheet lists a company's assets, liabilities and shareholders' equity at a specific point in time. It's usually thought of as the second most important financial statement, since it shows the liquidity and the theoretical value of the business.
- **Cash Flow Statement:** The cash flow statement shows the money flowing into and out of a business during a specific reporting period. The cash flow statement is important to lenders and investors to determine whether a business has access to the cash needed to pay off its debts.
- **Statement of Retained Earnings:** The statement of retained earnings shows the changes in equity within a business for a specific reporting period. The statement is typically made up of dividend payments, the sale or repurchase of stock and changes resulting from the reporting of profits or losses.

- **What Is an Accounting Journal?**

An accounting journal is a detailed account of all the financial transactions of a business. It's also known as the book of original entry as it's the first place where transactions are recorded. The entries in an accounting journal are used to create the general ledger which is then used to create the financial statements of a business.



Self-check-3	Written test
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**Instruction: Follow the below selected instruction**

**Multiple choices.**

N°	Questions
1	What is the accounting equation? A. Assets - Liabilities = Expenses B. Assets = Liabilities + Owner's Equity C. Assets + Liabilities = Owner's Equity
2	What Are the Four Basic Financial Statements? A. Income Statement, Liabilities, asset, Statement of Retained Earnings B. Liabilities, Balance Sheet, Cash Flow Statement, Statement of Retained Earnings C. Income Statement, Balance Sheet, Cash Flow Statement, Statement of Retained Earnings
3	A sole proprietorship business owes 12,000 ETB and you, the owner personally invested 100,000ETB of your own cash into the business. The assets owned by the business will then be calculated as: A. 112,000ETB B. 88,000ETB C. 100,000 ETB

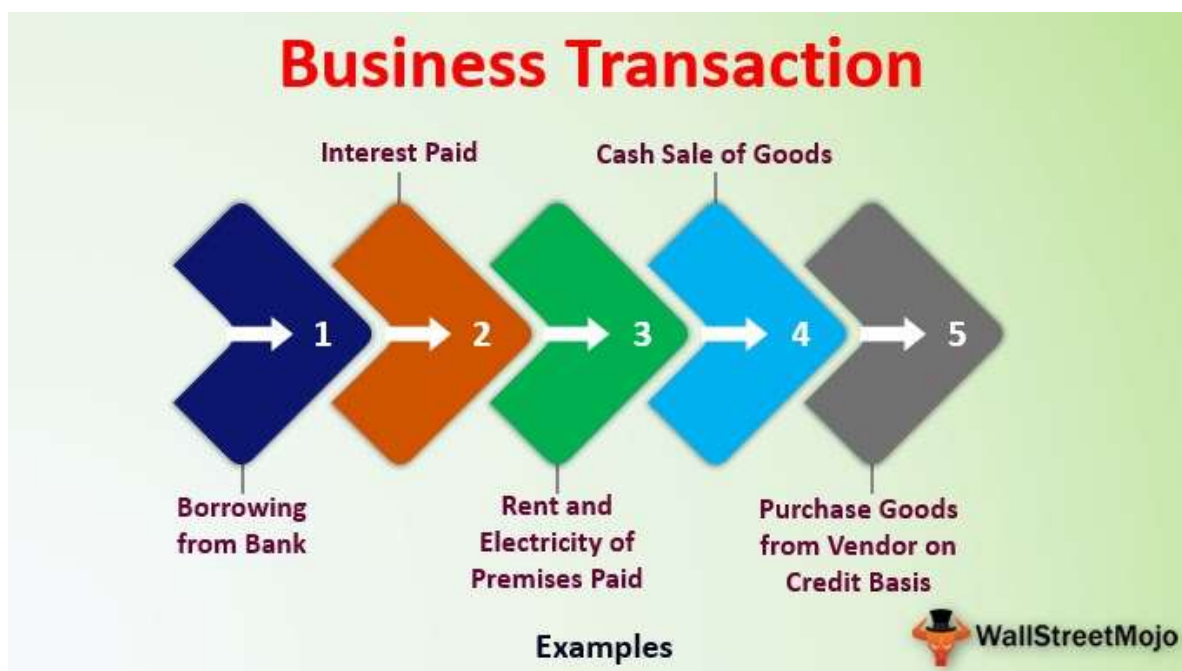
**Note: the satisfactory rating is as followed**

Satisfactory	2 and Above 2 points
Unsatisfactory	Below 2 points

Information Sheet-4	Business transactions
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## 4.1 Business transactions

A business transaction is an accounting term that relates to the events that occur with third parties (i.e., customers, vendors, etc.), having monetary value and have tangible economic value to the economy of the company as well as impacting the financial position of the company.



**Figure 5 Business Transaction**

### • Characteristics

- ✓ These transactions are measurable in monetary terms
- ✓ It involves an event occurring between the organization and a third party
- ✓ The transaction is entered for the entity, not for any individual purpose.
- ✓ They are supported by the authorized and legitimate documents related to the event or transaction entered, e.g., in case of a sale, sale order & invoice will be considered as legal documents for supporting the deal.

- **Purchase Goods from Vendor on Credit Basis**

This transaction will have an effect on two accounts one is Purchase Account, and the second is Vendor Account (Liability), this transaction will also affect the inventory as the inventory stock will increase (Assets).

- **Rent and Electricity of Premises Paid**

This transaction will affect two accounts, one is Cash/bank Account (Assets), and the second is Rent and electricity Account (Expense).

- **Cash Sale of Goods**

- This transaction will affect two accounts; one is Cash/bank Account (Assets) and the second is Sale Account (Income), this transaction will also affect inventory as inventory stock will decrease (Assets).

- **Interest Paid**

This transaction will affect two accounts, one is Cash/bank Account (Assets), and the second is interest Account (Expense).

- **Types of Business Transaction**

These transactions can be classified on two bases. These bases are described as follows:



**Figure 6 Types of Business Transaction**



## i. Cash Transaction and Credit Transaction

- ✓ **Cash Transaction:** A transaction in which cash is involved means payment is received or paid at the time of occurrence of the deal. For example, Mr. A paid Rs.10000 as the rent of his premises in cash. This is a cash transaction because it involves cash payment at the time of the transaction. Similarly, Mr. A bought stationery for Rs. 5000 and paid cash as consideration.
- ✓ **Credit Transaction:** In credit transactions, cash is not involved at the time of the transaction; instead, the consideration paid is after a particular time (termed as credit period). For example, Mr. A sold goods to a customer on a credit basis and provided him a credit period of 30 days. So in this transaction, cash is not involved at the time of sale, but the customer will pay it after a credit period of 30 days.

## ii. Internal Transaction and External Transaction

- ✓ **Internal Transaction:** In an internal transaction, there is no external party involved. These transactions do not involve any exchange in value with the other external party, but it has monetary terms or value, i.e., impairment of fixed asset. It reduces the value of fixed assets.
- ✓ **External Transaction:** In an external transaction, there are two or more parties involved in the transaction. They are the usual transactions that occur daily. For example, purchasing goods, sale, rent expenses, electricity expenses paid.

## • Importance

They are day to day transactions, and they may occur once in a year or more than once in a year. But while running a business, it is bound to be multiple times. Because, if there will be no transaction, then it means that the entity is not working & it is in an obsolete level and will shut down eventually. So having these transactions implies the entity is working.

It also depends on transactions that whether the entity is a downside or growing. If there are few transactions in the entity, it means it is working, but if there are lots of transactions in the entity, it means it is growing. So these transactions keep the company in existence and larger



& frequently the transactions that may relate to more competitive business practices and business interaction with the external and internal environment of the business.

- **Business Transactions vs. Investment Transactions**

- ✓ Business Transactions are usually the transactions that are entered in by the organization and are like trade, commerce, or manufacture. Investment transactions are entered into for the sale or purchase of marketable securities and other assets that may or may not be connected directly to the business.
- ✓ Business transactions generate income, which is termed as the company's income and is taxable under the "Profit & Gain from the Business property." In contrast, Investment transactions generate a capital gain, which is taxable under the head "Income from Capital Gains."
- ✓ If purchase & sale of an asset is as same as the general trading business of the assessee, then these transactions will be considered as business transactions, whereas if the purchase & sale of an asset is an independent activity against the ordinary course of business. The transactions will be considered as an investment transaction.

- **Benefits**

- ✓ Recording of these transactions helps in evaluating the effectiveness of business and profit generation by the entity during the respective period.
- ✓ The transaction recording helps in bifurcating the income produce from the business activities from the other incomes, which may be clubbed with a capital gain, lottery income, salary income, etc.
- ✓ They are recorded, and in the year-end or for a specified period, Final Accounts are prepared through them for determining the financial position of the assesses.
- ✓ It helps the assesses to record and file his income tax returns as per statutory norms with a proper bifurcation of his income & expenditure into the appropriate heads.



Self-check-4	Written test
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**Instruction: Follow the below selected instruction**

**Multiple choices.**

N°	Questions and answers
1	<p>-----is an accounting term that relates to the events that occur with third parties (i.e., customers, vendors, etc.), having monetary value and have tangible economic value to the economy of the company as well as impacting the financial position of the company.</p> <p>A. business transaction B. Interest Paid</p>
2	<p>Which one of the following is types of Business Transaction</p> <p>A. Cash Transaction B. Credit Transaction C. Internal Transaction D. External Transaction E. All</p>

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 2 points





## 5.1 Maintaining daily financial records

- **Keep Good Records**

The term “record keeping” refers to the orderly and disciplined practice of storing business records. Record keeping is one of your most important responsibilities as a small business owner. The success of your business depends on creating and maintaining an effective record system, whether your business is a sole proprietorship, partnership, or corporation.

Record keeping ranges from simple manila folder filing systems to complex on - line electronic systems. Whether simple or complex, a record keeping system must be easy to use and provide adequate storage and retrieval of records. Most importantly, the record keeping system you choose must be suited to your particular business needs. The type, size, and complexity of your business, as well as your business’ available resources, will help to determine the record keeping system best suited to you and your business.

- **Personal Record Keeping**

As a business owner, you should also establish a record keeping system for your personal information. For example, when applying for a business loan, a lender may want to consider your personal records, such as financial statements for your personal checking accounts, savings accounts, and other personal accounts tied to your business.

- **Reasons for Keeping Good Records**

Record keeping is not solely about fulfilling regulations or legal requirements. Record keeping is also about understanding your business, now and in the future. Reasons why you should keep good records include:

- ✓ Detail Tracking
- ✓ Planning
- ✓ Legal compliance
- ✓ Tax preparation (federal, state, and local)





- **Detail Tracking**

Owning a small business will require you to track a significant amount of information, such as customers, sales, and inventory. Without a proper record keeping system, you may lose sight of important business details, leading to problems with serving your customers. If you do not know details about your customers, such as who your customers are and what your customers like, Planning.

Proper record keeping helps to plan your business' future. How does a business owner who fails to track his customers determine inventory needs for the next quarter, year, or longer? For example, what if you own a clothing store? Clothing store owners must anticipate the need for inventory throughout the year, due to seasonal cycles. By knowing if and when inventory will be needed, you can anticipate the need to finance inventory. You also can avoid carrying too little or too much inventory, such as extra swimsuits into the fall season.

- **Legal Compliance**

As an owner, you will likely execute contracts and be required to hold various licenses and permits. As an employer, you will be required to maintain and report employee payroll for tax purposes. These three categories of legal compliance are discussed in further detail a little later:

- ✓ Contracts, leases, and other agreements (such as copyrights)
- ✓ Licenses, insurance, and permits
- ✓ Payroll and personnel

- **Tax (Federal, State, and Local) Preparation**

A well maintained record keeping system ensures that you are able to keep up with tax reporting requirements. For example, if you are an individual small business owner or contractor, then you are generally considered self-employed. Self-employed owners file a personal income tax return annually and pay estimated tax quarterly.



- **Licenses and Permits**

Local, state, federal, and international governments require various business licenses and permits. Some business activities require a license or permit. Licensing and permitting examples include:

- ✓ City business license
- ✓ Doing business as (DBA) statement
- ✓ Seller's permit
- ✓ Home occupation use permit
- ✓ Food preparation permit

Professions such as an accountant, an architect, or a building contractor require state licensure. Be sure to check with government agencies and professional associations that govern your line of work. Once you have the required licenses and permits for your business, you may be required to show these licenses and permits from time to time. Contractors may be required to show proof of insurance. Establish your business with a good system for maintaining and regularly renewing licensing and permitting documents to protect the business from penalties, fines or other legal action.

- **Payroll and Personnel**

If you hire employees, your record keeping capacity needs to be advanced enough to comply with numerous local, state, and federal payroll and personnel legal requirements. Depending on the number of employees you hire, your business may require a payroll service. Otherwise, if your record keeping and accounting capacity is still developing, consider hiring independent contractors or hiring through an employment agency. Here is a brief list of some of the payroll and personnel legal information your business will be required to track:

- ✓ Hiring and evaluation documentation
- ✓ Basis on which wages are paid
- ✓ Social Security Numbers
- ✓ Total hours worked
- ✓ Additions to or deductions from wages
- ✓ Total wages paid each pay period
- ✓ Income tax withholdings



- ✓ Fair Labor Standards Act required information
- ✓ Injury reports
- ✓ Employment Records
- ✓ Copy of annual performance evaluations

- **Record Retention**

Not only should small business owners keep good records, but owners should also know which of those records to retain and for how long. Record retention is the practice of keeping business and personal records over time. Good record retention is in the best interest of companies. A poor system of retention will prevent managers from retrieving information needed to make sound business decisions. A poor record keeping retention system also poses a security risk. The table below shows **1)** a sample of records to keep and **2)** for how many years. The Internal Revenue Service (IRS) determines some record retention guidelines. Other retention.

**Table 2 Sample Record Retention Schedule (Subject to business-specific requirements)**

<b>Accounting and Fiscal</b>	
Invoices and receivables.....	5 years
Checks and payables.....	5 years
Auditors reports .....	permanently
Annual statements .....	permanently
Inventory.....	4 years
<b>Personnel</b>	
Payroll.....	6 years
Contracts.....	4-5 years
Personnel files.....	3 years
Insurance records.....	5 years
Timecards.....	2 years
Retirement plans .....	permanently
<b>Business and Corporate</b>	



Contracts.....7 years  
Copyrights .....permanently  
Correspondence.....3 years  
Leases.....6 years  
Property records .....permanently  
Customer records.....business specific  
Sales records.....business specific  
Licenses.....as required  
Permits.....as required  
Insurance policy.....as required

### **Taxation**

Tax returns .....permanently  
Employee withholding.....7 years  
Tax bills and statements .....permanently  
1099 form for contractor or non-employee compensation.....permanently

If there is pending or threatened litigation involving your business, discuss with your attorney the need to preserve business records for litigation purposes.

- **Common Record Keeping Tools**

Start your business with a simple record keeping system. As your business grows, expand your record keeping system to accommodate more records and increasing complexity.

- ✓ **Paper-Based**

Sometimes, the simplest system is the best, especially when first starting out. For example, consider the paper-based tools described here.

- ✓ **File Folder**

A file folder holds loose papers together for organization and protection. File folders can easily be purchased at office supply stores. Label file folders based on what is



inside by writing directly on the tabs or by writing on adhesive labels that are placed on the tabs.

✓ **Hanging Folder**

Use hanging folders to group several file folders together. For example, a hanging folder might be labeled “Clients” to contain a number of individual client folders.

✓ **Cabinet Storage**

Hanging folders are often stored in a filing cabinet. Lock the cabinet when not in use.

✓ **Accordion Folder**

An accordion folder opens like an accordion on top to reveal compartments for storing documents. Each compartment can be labeled. Accordion files are designed to store documents without a filing cabinet, in a closet or on a shelf.

• **“Tickler” System**

Many business owners use a method sometimes called a “tickler” system for remembering upcoming events, such as:

- ✓ Quarterly taxes
- ✓ License renewals
- ✓ Insurance reviews and renewals
- ✓ Upcoming bills
- ✓ Call-backs

• **Computer Systems**

While most businesses will need to maintain some form of paper-based record keeping, computer-based systems are becoming the norm. Implement computer- based systems over time as you become more comfortable with computer record keeping. With computer systems, your records will take less space and can be transmitted over the Internet. Many businesses and government agencies will allow you to purchase goods, apply for licenses and pay fees over the internet. Remember, back up computer system records to separate hard drives daily, at a remote location if possible.



- **Cloud Computing**

As an alternate or to supplement paper-based and computer systems, one more option is becoming increasingly available: cloud computing. You use cloud computing to store, manage, and process data on the internet, rather than using a local personal computer. The advantages of cloud computing are that 1) you don't need to install software upgrades; 2) you are less likely to lose your data because of computer crashes; and 3) you can access your information (such as financial information) from any location that has access to the internet.

- **Cloud Computing File Hosting**

If you use computer files in your business, you can store and share those files with colleagues and clients using an internet file hosting service. The files can be made accessible from any location with access to the internet, by multiple people. You can use file hosting to archive large amounts of data. Both free and fee-based hosting services are available.

- **Business Software**

Regardless of whether you use a computer system, cloud-based computing, or a combination of the two, you will need to think about business software to help keep your records. When choosing software, it is a good idea to determine your particular business needs. Businesses can be retail or wholesale, service or product-based, a one-person operation or a large establishment, housed in a commercial space or based at home. Do your research to make sure you buy software that matches your business type and size. Also, consider factors such as these when deciding what software will work for your business:

- ✓ Point of sale system integration
- ✓ Inventory tracking
- ✓ Online options
- ✓ Manufacturing-based options
- ✓ E-commerce-based options
- ✓ Industry specialization
- ✓ Multiple users
- ✓ Your business software choices will probably fall into the following categories, which are discussed below:



- ✓ Inventory
- ✓ Online sales
- ✓ Manufacturing
- ✓ Specialized

- **Inventory:** Businesses with inventory requirements use software programs that will track inventory purchases and sales. Most accounting programs have inventory tracking features. Study the inventory capacity of the software you are considering to see if the capacity will meet your needs now and in the future.
- **Online Sales:** Many businesses sell products online, using either an internet site like eBay or a dedicated business web site. Some accounting programs can access a business' online sales information. Be sure to investigate if the software you are considering will work with your system for online sales.

- **Manufacturing**

If you manufacture a product, investigate the inventory features of your business accounting software to see if the software will work with your manufacturing processes.

- **Specialized**

Some businesses have unique needs. For these cases, a business may require industry-specific software. Software in this category usually has much more capacity and can be customized to fit a business' unique situation. Due to this customization, specialized software tends to cost considerably more and require specialized training.

- **Three Common Business Software Options**

The three most common business software options are email, spreadsheets, and accounting software. You probably are already familiar with using email. Spreadsheets can be used for client information, inventory, timesheets, scheduling, budgeting, and more. Accounting software manages financial information. Each of these software programs is described in more detail below.



- **Email**

Email has become a significant means of doing business, more common than regular mail in many cases. Most business owners communicate with clients, employees, suppliers, vendors, and independent contractors using email. Keeping a good filing system for your email communication is as important as keeping a good paper-based system. Most email services.

- **Spreadsheets**

Spreadsheet software is commonly used in business to track information about clients, inventory, sales, employee time sheets, and much more. A spreadsheet is a computer application that simulates a paper accounting worksheet. The spreadsheet displays multiple cells in a two-dimensional grid, consisting of rows and columns. Each cell contains text, numbers or formulas. Spreadsheets are frequently used for projections or for financial “what-if” scenarios because a spreadsheet will re-calculate automatically after a change to a single cell. Any basic spreadsheet software will work for most basic business uses.

- ✓ **Accounting Software**

If you are starting your first business, you will quickly find out how important accounting software is to the success of the business. Accounting software keeps track of business financial records such as sales, expenses, inventory, and assets. The software delivers many advantages over manual systems, helping you to execute, manage, and track your critical financial transactions and related financial activities. Accounting software duplicates the functions of a manual system, but reduces human errors. Generally as you buy more sophisticated (and expensive) accounting software you are buying more:

- Memory volume
- Inventory sophistication
- Mobile functions
- Industry
- specific reports





<b>Self-check-5</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

**Multiple choices.**

<b>N°</b>	<b>Questions</b>
<b>1</b>	Which of the following are reasons for keeping good records? Select all that apply. a. Business detail tracking b. Planning c. Legal compliance d. Tax preparation e. all
<b>2</b>	When creating a record keeping system, it's a good idea to _____. a. Wait until enough information is available to get started. b. Start simple and refine later. c. Get a sophisticated system to anticipate future needs. d. Start after one year of operations.
<b>3</b>	Which of the following should be done before purchasing business software? a. Create an information technology (IT) department b. Get a business credit card c. Evaluate your business needs d. Consult with the Internal Revenue Service (IRS)
<b>4</b>	Which of the following are record keeping tools? a. Manila folder b. Computer system c. File hosting system d. None of the above e. All of the above



5	For which type of small business is record keeping a good practice? a. Sole proprietor b. Partnership c. Corporation d. None of the above e. All of the above
6	Record keeping is the orderly and _____ practice of storing business records. a. Corporate b. Legal c. Financial

**Note: the satisfactory rating is as followed**

Satisfactory	3 and Above 3 points
Unsatisfactory	Below 3 points



## 6.1 Preparing and distributing Invoices and payments

When a supplier payment needs to be generated, the recording of the invoice received from the supplier (or other payment request documentation such as a check request) is approved and entered as an invoice into the accounts payable module in Oracle. Invoices can be entered prior to the date the check is to be produced. Based on the payment terms entered (for example, Immediate, Net 30) the invoice is selected to be included in the payment process, which is done overnight by RF central office. The payment process generates the check.

- **Types of Payments**

In addition to payments to vendors, an invoice must be processed for the following types of payments:

- ✓ for more information.
- ✓ Participant Stipend (see Participant Stipend Payments for more information)
- ✓ Reimbursement of Employee Expenses (see Out-Of-Pocket Expenses Reimbursement for more information)
- ✓ Honoraria
- ✓ Independent Contractor
- ✓ Wire Transfers
- ✓ Sub recipients
- ✓ Central Stores and Service Center
- ✓ Petty Cash - An invoice must be processed to generate a check to fund petty cash. The payee must be on the Supplier File.

- **What is an Invoice?**

An invoice is a document that lists the products and services a business provides to a client and establishes an obligation on the part of the client to pay the business for those products and services. The term invoice is defined by the Oxford English Dictionary as “a list of goods sent or services provided, with a statement of the sum due for these; a bill.” Invoices are the



backbone of the accounting system for small businesses. An invoice tells your client how much they owe you, when the payment is due and what services you provided.

- **What Is an Invoice Used For?**

Invoices are used as a source document for business accounting. Invoices are helpful for recording all the sales transactions a business makes with its clients. Invoices are used by businesses for a variety of purposes, including:

- ✓ To request timely payment from clients
- ✓ To keep track of sales
- ✓ To track inventory, for businesses selling products
- ✓ To forecast future sales using historical data
- ✓ To record business revenue for tax filings

- **What Does an Invoice Look Like?**

A professional invoice will look clean, readable and simple while providing all the details on the services provided and the payment required by the client. A professional invoice should always include:

- ✓ Your business contact information
- ✓ Your client's contact information
- ✓ An invoice ID or invoice number
- ✓ Payment terms and deadlines
- ✓ An itemized list of services rendered
- ✓ The amount due

- **What Are the Different Types of Invoices?**

The different types of invoices that businesses can create for their clients are:

- ✓ **Standard Invoice**

A standard invoice is issued by a business and submitted to a client. This is the most common form of invoice that small businesses create and the format is flexible enough to fit most industries and billing cycles. Standard invoices include the following details about the sale:

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			September 2020



- The business's name and contact information
- The client's name and contact information
- An invoice number
- The amount of money the client owes the business for its services

#### ✓ **Credit Invoice**

A credit invoice, also called a credit memo, is issued by a business that needs to provide a client with a discount or a refund, or to correct a previous invoicing error. A credit invoice will always include a negative total number. For example, if you're providing a credit invoice to a client to detail a \$50 refund, the total on the credit invoice would be -\$50.

#### ✓ **Debit Invoice**

A debit invoice, also called a debit memo, is issued by a business that needs to increase the amount a client owes to the business. Debit invoices can be useful to small businesses and freelancers when they need to make a slight adjustment to an existing bill. For example, if you sent a client an invoice based on your estimated hours and you ended up working additional hours on a project, you could send the client a debit invoice for the additional hours billed. Debit invoices are always written as positive numbers.

#### ✓ **Mixed Invoice**

Mixed invoices combine credit and debit charges on one invoice, and the total amount can be expressed as either a positive or negative number. Small businesses rarely need to create mixed invoices for their services, but it could be necessary if you're reducing the amount a client owes for one of the projects you're billing for and increasing the amount owing for a different project billed on the same invoice.

#### ✓ **Commercial Invoice**

A commercial invoice is issued by a business for goods that it sells to customers internationally. Commercial invoices include details of the sale that are needed to determine customs duties for cross-border sales. The information included on a commercial invoice includes:



- Shipment quantity
- Weight / volume
- Description of goods
- Total value
- Packaging format

#### ✓ **Timesheet Invoice**

A timesheet is an invoice used when a business or employee is billing based on the hours they work and their standard rate of pay. Timesheets are used by contract employees who are paid hourly by their employer. They're also common in industries where clients are billed hourly, including by:

- Lawyers
- Creative agencies
- Business consultants
- Psychologists

#### ✓ **Expense Report**

An expense report is a type of invoice that an employee submits to an employer for reimbursement of business-related expenses. For instance, if you send an employee to a lunch meeting with a client, they can create an expense report to invoice your company for the cost of the lunch, parking and gas that they paid up front.

#### ✓ **Pro Forma Invoice**

A pro forma invoice is an estimated invoice that a business sends to a client before providing their services. A pro forma invoice provides the client with an estimated cost of the work to be completed. Pro forma invoices may have to be altered once a project is complete to accurately reflect the hours worked.

#### ✓ **Interim Invoice**

An interim invoice is used for billing on large projects where the business and the client have agreed to terms that include multiple payments. A business or freelancer will submit interim



invoices when certain milestones are completed toward the larger project. Interim invoices help small businesses manage their cash flow while working on projects over long periods of time.

### ✓ **Final Invoice**

A final invoice is sent to the client once a project has been completed to request payment.

The final invoice is usually more detailed than a pro forma or interim invoice and typically includes the following:

- An itemized list of all services provided
- Total cost of the project
- Invoice number
- Invoice due date
- Payment methods accepted

### ✓ **Past Due Invoice**

A past due invoice is sent by a business if their client doesn't provide payment by the due date listed on the final invoice. You should send past due invoices to clients as soon as they miss a payment due date. Past due invoices include all the service and payment details listed on the final invoice and they also include any late fees or interest charges.

### ✓ **Recurring Invoice**

Recurring invoice are useful for businesses that charge clients the same amount periodically for their services. Recurring invoices are common among IT businesses, who charge their clients the same amount each month for a package IT service. Or, if you're a freelance digital marketer, you might offer social media marketing packages to your clients with standard pricing per month. Cloud-based invoicing software lets you automate the process of creating recurring invoices and can even send out the invoices on the same day each month, so you don't have to think about it.

### ✓ **E-invoice**

E-invoice is a blanket term applied to any invoice sent electronically, regardless of the specific type of invoice being sent. E-invoicing is becoming standard practice among small businesses



and freelancers. E-invoices are quicker and easier to create than standard print invoices and they help you get paid faster for your services.

- **What Is a Purchase Invoice?**

A purchase invoice is a commercial document that a seller provides to a buyer that outlines the goods or services purchased, the quantity sold and the sale price. Purchase invoices are used to prove a product or service was bought and the amount paid for it.

- **What Is a Sales Invoice?**

A sales invoice is a document that a business sends to a client to request payment for their products or services. A sales invoice includes a description of the product or service sold, the quantity and the price. Sales invoices serve as an official record of a sale for both the buyer and the seller.

**Table 3 The following table outlines the invoice/payment process:**

Step	Action
1	Receive an invoice or request for payment from a supplier.
2	Manually approve invoice/payment.
3	Determine if the supplier is on the Supplier File. If not, request that supplier is added and/or campus site information is added to the Supplier File. Refer to "Supplier File Updates" for more information.
4	Enter the invoice information into the accounts payable module.
5	Review invoice information.
6	If invoice is matched to a purchase order, perform the match to P.O. on-line.
7	Approve invoice online.
8	Review invoices on hold and take appropriate action. Refer





	to "Invoice Holds" for more information.
9	Checks are generated for approved invoices when central office performs the batch payment run. Refer to "Check Production and Distribution" for more information.



<b>Self-check-6</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

Multiple choices.

<b>N°</b>	<b>Questions and answers</b>
<b>1</b>	Payment is a document that lists the products and services a business provides to a client and establishes an obligation on the part of the client to pay the business for those products and services.
<b>2</b>	A final invoice is sent to the client once a project has been completed to request payment.

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 2 points



### 7.1 Collecting or following-up outstanding accounts

Cash flow is a common problem that can make it difficult for small businesses to stay afloat. Do you have accounts receivable invoices that will be coming soon, but you don't have enough cash to pay your current bills? If you are running into cash flow issues, then you need to enlist the help of an experienced small business accountant. To keep up with overhead costs and ongoing expenses, you need to be sure that you are bringing in more money than what is being spent. The success of your company hinges on the positive cash flow, resulting in excess profits that can go to the owners and investors.

- **Primary Cause of Cash Flow Issues**

What is the primary cause of your cash flow issues? Usually, these problems are based on the outstanding money that needs to be collected for accounts receivable. The truth is that this money can't be considered income until you have the cash in your bank account. Even though you are anticipating payments that will be coming through soon, you can't depend on that money until it has been received and the check clears. Each time you put together an invoice, it is basically a short-term loan to that customer. You are trusting the customer to pay the money as agreed, but people don't always follow through to pay as planned. Sometimes, the customer is dealing with their own cash flow problems, Why Does Cash Flow Matter? If the money will be paid eventually, why does it matter for you to receive timely payments? Without the cash to keep up with current expenses, your business will go under. You need cash on hand to cover costs such as:

- ✓ Payroll
- ✓ Rent or mortgage on the building
- ✓ Utilities
- ✓ Restocking inventory
- ✓ The option to take advantage of expansion opportunities
- ✓ Purchasing office supplies
- ✓ Meeting debt payments
- ✓ Reinvesting in business development
- ✓ Be prepared for financial emergencies.



- **The Size of Your Company Impacts the Size of the Outstanding Accounts**

Every company has outstanding invoices that need to be paid by the customers. As a company gets bigger, it is expected that these accounts receivable numbers will grow as well. You need to learn how to manage your accounts receivables to ensure that your customers send payments in a timely manner. Keeping up with the growth will give you the opportunity to continue growing. You don't necessarily need to do all of these tasks on your own. In the beginning, it is common for a small business owner to oversee most of the financial details, including bookkeeping and collections. But, eventually, you will need to hand these tasks over to a professional team so that you can focus on other aspects of running a business that need to be addressed.

- **How to Collect on Past-Due Invoices**

Now that you can see the importance of staying current with collections, you are probably wondering how you can implement this strategy into your business. It is one thing to understand that you need to be collecting on the invoices, and it is a whole different situation to make changes to follow through on these principles. These are a few strategies that you can use to collect the money that is owed by your customers:

- ✓ **Ask Questions to Understand the Situation:** Without an understanding of the customer's current situation, it might be hard for you to find a win-win situation. Most customers have the desire to pay the bill, but they are running into issues with disorganization or cash flow problems. So, you should start the conversation by asking why the invoice hasn't been paid. Sometimes, it is as simple as the invoice being overlooked on a messy desk, and they will send the money right away. Other times, they might need a little more flexibility in the payment terms. So, you can have an open discussion to understand their needs, and then put together payment terms that will work for everyone involved.
- ✓ **Put Together a Collection Policy:** One of the reasons that you aren't receiving the money that is due is because you don't have a solid collection policy in place. Take time to design a plan that will work for your business, then make sure that you are



consistent in following through in the enforcement of that plan. Include details about fees and interest costs that will be accrued for the past-due balances, and provide a copy of these details to every customer. The best solution is to inform customers about the collection policy in advance so that you can prevent missed payments in the future.



<b>Self-check-7</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

**Multiple choices.**

<b>N°</b>	<b>Questions</b>
<b>1</b>	These are a few strategies that you can use to collect the money that is owed by your customers: A. Ask Questions to Understand the Situation B. Send Reminders C. A & B D. None
<b>2</b>	Why does it matter for you to receive timely payments? A. to cover costs of Payroll B. to cover costs of Rent or mortgage on the building C. to cover costs of Utilities D. All

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 2 points



Information Sheet-8	Revenue, expense and costs
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## 8.1 Revenue, expense and costs

Also known as turnover, revenue is the total amount of money that a business has taken in over a defined period, such as a year. Often this figure refers to sales, although it can relate also to revenue from trading, financial speculation or any money-spinning activity. In other words, revenue is the income generated from business operations.

Revenue is calculated as follows:

**Revenue = price of good or service sold x number of units sold.**

- **Gross revenue:**

Gross revenue, also known as sales or simply revenue, refers to the total amount of money your business makes during a certain period of time by selling your products or services. For example, if you sell a drink for 2 ETB but it only costs you 1 ETB to make that drink, your gross revenue is 2 ETB. Gross revenue is usually calculated either monthly or annually. Monthly gross revenue refers to the total sales you made during a given month, while annual gross revenue refers to the total sales you generated over the course of a year.

- **Net revenue:**

Net revenue, also called net sales, refers to the income left over after you have paid all the expenses and costs (e.g., employee's salary, sales discounts, returns etc.) related to earning the revenue. For instance, your shoe company had a good month and sold 1,000 pieces of shoes at 200ETB per piece. Your revenue for the month would be 200,000ETB. However, if your customers returned 200 of those products, your net revenue would be 160,000ETB —you subtract 40,000ETB (200ETB x 200) from your total revenue to get a net revenue of 160,000ETB. Now imagine you offer a good deal to stay competitive with other bakeries. Ten customers come in with a competitor's advertisement showing a price of 150ETB, so you refund them 50ETB each. Net revenue is revenue minus adjustments, so you subtract the 1,500ETB (150ETB x 10) to get a net revenue of 158,500ETB. It's important to carefully review your net revenue, as it gives you a more complete picture of how much money you are taking in than revenue alone.

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- **Revenue types**

There are two different categories of revenues. These include operating revenues and non-operating revenues.

- **Operating revenues**

Operating revenues are generated from your company's core business operations. This means that this is the area of activities that your company earns most of its income and chooses to operate. What constitutes operating revenue varies depending on the nature of the business or industry. Here are a few examples of operating revenues:

- ✓ **Sales:** A sale refers to the exchange of goods for cash. For instance, a clothing retailer would record the income from selling shirts to customers as sales or merchandise sales.
- ✓ **Rents:** Rental income is earned by landlords for allowing tenants to reside in their buildings or land. The tenants usually have to sign a rental contract that details the rental payments. Based on the accrual method of accounting, landlords record rental income when it is earned—not paid.
- ✓ **Consulting services:** Consulting services, also called "professional services", refer to income derived from providing a service to clients or customers. For instance, law firms record professional service revenues when they provide legal services to clients.

- **Non-operating revenues**

Non-operating revenues are derived from activities not related to your company's core business operations. Some examples of non-operating revenues include:

- ✓ **Interest revenue:** This is the most common form of non-operating revenue, as most companies earn small amounts of interest from their checking and savings accounts. Interest income not only includes bank account interest but also interest accrued from accounts receivable or other contracts.
- ✓ **Dividend revenue:** This refers to earnings received as a shareholder based on a percentage of a company's earnings, typically in the form of cash payments.





## • What are Accounts Expenses?

An expense in accounting is the money spent, or costs incurred, by a business in their effort to generate revenues. Essentially, accounts expenses represent the cost of doing business; they are the sum of all the activities that result in (hopefully) a profit. It is important to understand the difference between “cost” and “expense” since they each have a distinct meaning in accounting. Cost is the monetary measure (cash) that has been given up in order to buy an asset. An expense is a cost that has expired or been taken up by activities that help generate revenue. Therefore, all expenses are costs, but not all costs are expenses.

## • What is an Expense?

An expense is defined in the following ways:

- ✓ An expense in office supplies uses up the cash (asset)
- ✓ A purchase in capital equipment (e.g., a machine or a building) decreases the book value of the asset over the years through depreciation expense
- ✓ A prepaid expense, such as prepaid rent, is an asset that turns into a cash expense as the rent is used up each month

## • Types of Expenses

Expenses affect all financial accounting statements but exert the most impact on the income statement. They appear on the income statement under five major headings, as listed below:

### i. Cost of Goods Sold (COGS)

Cost of Goods Sold (COGS) is the cost of acquiring raw materials and turning them into finished products. It does not include selling and administrative costs incurred by the whole company, nor interest expense or losses on extraordinary items.

- ✓ For manufacturing firms, COGS includes direct labor, direct materials, and manufacturing overhead.
- ✓ For a service company, it is called a cost of services rather than COGS.
- ✓ For a company that sells both goods and services, it is called cost of sales



## **ii. Operating Expenses – Selling/General and Admin**

Operating expenses are related to selling goods and services and include sales salaries, advertising, and shop rent. General expenses include expenses incurred while running the core line of the business and include executive salaries, R&D, travel and training, and IT expenses.

## **iii. Financial Expenses**

These are costs incurred from borrowing or earning income from financial investments. They are expenses outside the company's core business. Examples include loan origination fees and interest on money borrowed.

## **iv. Extraordinary Expenses**

Extraordinary expenses are costs incurred for large one-time events or transactions outside the firm's regular business activity. They include laying off employees, selling land, or disposal of a significant asset.

## **v. Non-Operating Expenses**

These are costs that cannot be linked back to operating revenues. Interest expense is the most common non-operating expense. Interest is the cost of borrowing money. Loans from banks usually require interest payments, but such payments don't generate any operating income. Hence, they are classified as non-operating expenses.

### **• Non-Cash Expenses**

The sole purpose of a non-cash expense is to reduce net profit and eventually, taxes. It is not an income statement category. Depreciation is the most common type of non-cash expense because it conforms to the definition that an expense decreases owner's equity by using up the asset. Depreciation also results in other non-cash effects such as:

- ✓ A debit to a depreciation account increases the account balance
- ✓ A credit to a contra asset account like accumulated depreciation increases the balance of the depreciation account



- ✓ On the income statement, the book value of the asset decreases by the same amount as the accumulated depreciation.

- **What is a Cost?**

**Definition:** A cost is an expenditure required to produce or sell a product or get an asset ready for normal use. In other words, it's the amount paid to manufacture a product, purchase inventory, sell merchandise, or get equipment ready to use in a business process.

- **Types of cost**

There are a number of different types of costs for a business. In this context, variable costs and direct costs are arguably the most relevant.

- ✓ **Variable costs** - have the most financial impact for a company when it comes to producing and delivering products or services. These costs come about as a result of the ordering, shipping, and handling of raw materials. Because these can sometimes require special terms, variable costs are included in the final amount.
- ✓ **Direct costs** - are also an important aspect to consider in the final mark-up stages of the product or service. Direct costs include the amount of time and effort put into creating the product. In other words, the hours of work that go into the production. Direct costs are another element to consider in final mark-up.



Self-check-8	Written test
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**Instruction: Follow the below selected instruction**

**Multiple choices.**

N°	Questions
1	<p>-----is the total amount of money that a business has taken in over a defined period, such as a year.</p> <p>A. cost</p> <p>B. revenue</p> <p>C. expense</p> <p>D. none</p>
2	<p>A -----is an expenditure required to produce or sell a product or get an asset ready for normal use.</p> <p>A. cost</p> <p>B. revenue</p> <p>C. expense</p>

**Note: the satisfactory rating is as followed**

Satisfactory	Above 2 points
Unsatisfactory	Below 2 points



Information Sheet-9	Different ledgers and subsidiary ledgers
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## 9.1 Different ledgers and subsidiary ledgers

### • What Is a Ledger Account?

The accounting ledger contains a listing of all general accounts in the accounting system's chart of accounts.

Here are the primary general ledger accounts:

- ✓ Asset accounts include fixed assets, prepaid expenses, accounts receivable and cash
- ✓ Liability accounts which include notes payable, lines of credit, accounts payable and debt
- ✓ Stockholders' equity accounts
- ✓ Revenue accounts
- ✓ Expense accounts
- ✓ Revenue and loss accounts such as interest, investment, disposal of an asset

### • How Do You Write a Ledger?

Businesses that use the double-entry bookkeeping method of recording transactions make the accounting ledger. Each transaction is recorded into at least two ledger accounts. The entries have debit as well as credit transactions and are posted in two columns. A general ledger is used by businesses that employ the double-entry bookkeeping method, Make a ledger for each account. For example, a cash account ledger will contain all the cash transactions of your business. For unusual or odd expenses, make a general ledger account

- ✓ Make columns on the far left of the page for the date, journal number and description
- ✓ Make columns on the left side for debit, credit, and balance. Debit refers to the money you receive while credit refers to the money that you paid or owe. Balance is the difference between the debit and credit
- ✓ Enter the information from the journals into related accounts. Place related debits and credits side by side. Calculate the balance you've earned or owe
- ✓ Record and make changes to the transactions as they occur. If you've made a journal entry, post it to the ledger immediately

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- ✓ Combine the different accounts to make a full ledger. The front page includes the chart of accounts, listing each account in the ledger and its number

- **General Ledger v.s. Sub Ledger**

The key difference between General Ledger and Sub Ledger is that General ledger prepared by the company is the set of the different master accounts in which the transactions of the business are recorded from the related subsidiary ledgers, whereas, Sub ledger act as an intermediary account set that is linked with the general ledger.

- **Differences between General Ledger and Sub Ledger**

Recording of financial information is books of account as per standard accounting principle. Both ledgers are used to record a financial transaction. The general ledger is the principal set of accounts. It records all financial transactions. The general ledger contains all debit and credit entries of transaction and entry for the same is done in different account mainly, there are five types of accounts assets, liabilities, equity, income, and expense. A subsidiary ledger is the subset of the general ledger in the accounting. It is not possible to record all transactions in the general ledger; hence transactions are recorded in sun ledger in a different account, and their total sum is reflected in the general ledger. Ledger helps in the understanding of the financial of business and helps in the analysis of transactions.

- **What is General Ledger?**

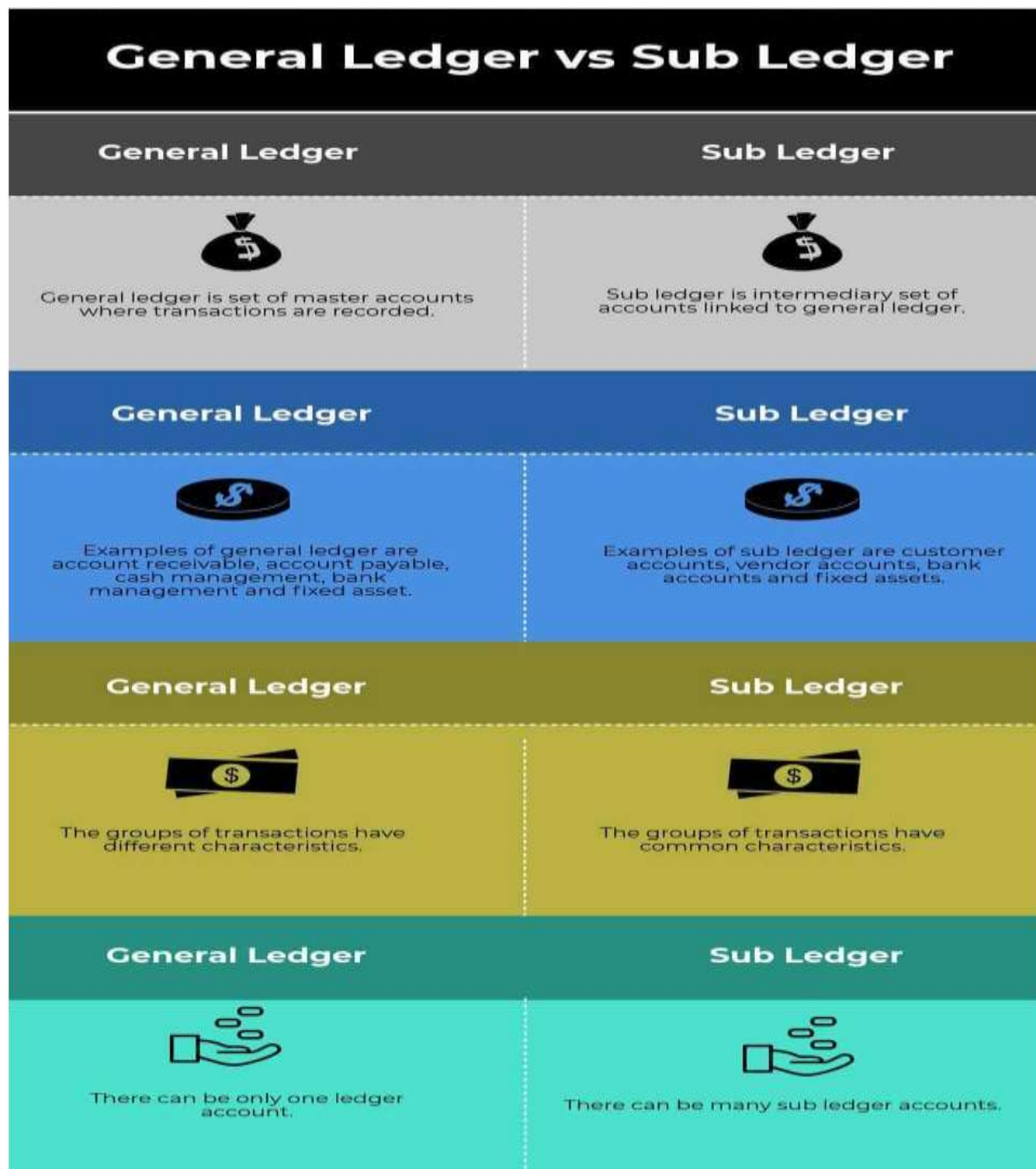
The general ledger is a set of master accounts where transaction record. It is the principal set of accounts and records all financial transactions. The general ledger contains all debit and credit entries of transaction and entry for the same is done in different account mainly, there are five types of accounts assets, liabilities, equity, income, and expense. But there are limitations in the recording of the transaction, so the sum of a different subset of sub-ledger is added in the general ledger. It is also referred to as a chart of account master. General ledger control sub-ledger. Examples of the general ledger are account receivable, account payable, cash management, bank management, and fixed asset. It is a group of accounts with different characteristics, and trial balance is used by using a general ledger.



- **What is Sub Ledger?**

Sub-ledger is also known as a subsidiary ledger. It is a detailed subset of accounts that contains transaction information and is the subset of the general ledger in the accounting. It is not possible to the general ledger; hence transactions are recorded in sub-ledger in a different account, and their total sum is reflected in the general ledger. The total of sub-ledger should always match with the line item amount on the general ledger. So, it contains detailed information regarding the business transaction and financial accounts. It can include purchase, payable, receivable, production cost, and payroll.

## General Ledger v<sub>s</sub> Sub Ledger Info graphics





General Ledger	Sub Ledger
 <p>General ledger contains limited volume of data.</p>	 <p>Sub ledger contains large volume of data.</p>
General Ledger	Sub Ledger
 <p>It has a chart of accounts.</p>	 <p>It does not have charts of accounts.</p>
General Ledger	Sub Ledger
 <p>There is no such requirement for the ledger account.</p>	 <p>The total of sub ledger should always match with the line item amount on the general ledger.</p>
General Ledger	Sub Ledger
 <p>General ledger control sub ledger.</p>	 <p>Sub ledger is part of general ledger.</p>
General Ledger	Sub Ledger
 <p>Trial balance is prepared by using general ledger.</p>	 <p>Trial balance is not prepared by using general ledger.</p>

**Figure 7 General Ledger v<sub>s</sub> Sub Ledger Info graphics**



<b>Self-check-9</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

Write true if the statement is correct and write false if the statement is wrong.

<b>N°</b>	<b>Questions</b>
<b>1</b>	The general ledger is a set of master accounts where transaction record. It is the principal set of accounts and records all financial transactions.
<b>2</b>	General ledger is a detailed subset of accounts that contains transaction information and is the subset of the general ledger in the accounting.

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 2 points



## 10.1 Preparing profit and loss report

### • What is a Profit and Loss Statement (P&L)?

A P&L statement, also referred to as an income statement, measures your business revenue (income or sales) and expenses during a given time period. Put another way, a profit and loss statement tells you whether or not your business is making money. Small business owners can use a P&L statement to assess business performance, identifying room for improvement and new strategies for growth. It's the "best tool for knowing if your business is profitable", according to the U.S Small Business Administration. Typically, a P&L statement is assessed over the following common time periods:

- ✓ Monthly
- ✓ Quarterly
- ✓ Annually

Some P&L statements are very simple to create and understand, as they are just a few lines. Others can span pages. It depends on the size of your business, and how complex it is. A small business that only has a few sources of income or expenses will have a short P&L, while a large business with multiple income streams will have a longer one. Finally, what does a "statement" look like? A P&L statement is essentially just a table, usually created in any spreadsheet tool (Excel, Google Sheets, etc.).

### • What Is The Purpose of a Profit and Loss Statement?

Ultimately, the purpose of a P&L statement is to calculate your net operating profit or loss.

If you make a profit, great! You can re-invest it, save it, or make a variety of other decisions. If you end up with a loss, it's a clear signal that your business is on an unsustainable trajectory, and you'll need to find a way to turn things around. But on top of that, a P&L can be used to help you make informed decisions like:

- ✓ Can you afford to hire any new employees?
- ✓ Can you afford to move to a bigger office?
- ✓ How will you plan your taxes?
- ✓ Is your current growth strategy effective?

The P&L statement can also have additional uses depending on who's looking at it.



- **Investors and Lenders**

For example, investors will look at your P&L statements from multiple time periods to see how profitable your business is over time. They can also glean information about the efficiency of your operations, your competitiveness, and the soundness of your business model. Lenders will look at P&L statements to determine whether or not your business is likely to make a profit in the future big enough to pay back loans and interest. One last important note about P&L statements is that they do not represent your business' financial health by themselves. They may reflect it in some cases, but they can be skewed (or misleading) by billing practices or fraudulent reporting of transactions (whether intentional or not).

- **Understanding a Profit and Loss Statement**

If it's the first time you're digging into profit and loss statements, parsing through these kinds of financial records can be daunting. There might be terms you've never seen before, so it's useful to gain an understanding of what you'll find in a profit and loss statement. Fortunately, there are common line items that are generally included in most P&L statements. Understanding these concepts will help you put together, and analyze, profit and loss statements. Let's go through these terms one at a time.

- ✓ **Revenue**

All P&L statements start with a summary of revenue from sales that occurred during the given time period. Usually, this is detailed in a separate table and the sum total is imported into the P&L statement.

- ✓ **Expenditure**

There are different types of expenditure. Usually, more detailed P&L statements will drill down, offering detail in to the type of expenditure. There are many expenses that may be included, but it will vary widely for each individual business.

- **Direct Costs/Costs of Goods Sold**

Direct costs (also referred to as the cost of goods sold) refers to costs that can be exclusively attributed to the production or sale of a product or service. This includes the costs of materials



used in manufacturing a product and any labor directly involved in that process. If you don't manufacture the product that you sell, your direct costs would include the cost of purchasing it from your supplier. Direct costs exclude all other labor and indirect expenses, such as marketing, accounting, internet service, training, rent, and insurance.

### **Gross Profit (and Gross Margin)**

You can subtract direct costs from revenue to determine your gross profit.

- **Revenue — Direct Costs = Gross Profit**

The gross margin is usually depicted as a percentage. Use this formula to determine your gross margin percentage (also referred to as “gross profit margin”)

- **Gross Margin / Revenue = Gross Margin %**

**Example:** You purchased 100 bicycles from a supplier at a cost of 100ETB each: you incurred direct costs of 10,000 ETB. You sold them for 395 ETB per piece, yielding a revenue of 39,500ETB. Your gross profit would be 29,500ETB. Your gross margin percentage would be 75%. The gross margin is a key indicator of the financial health of your business and the soundness of your business model. The higher the percentage, the better Potential investors will quickly hone in on this number. This number also conveys information about how competitive your business is or can be in the near future.

### **Operating Expenses (OPEX)**

Operating expenses (OPEX) are the costs of normal business operations

Operating expenses may include:

- Payroll
- Insurance
- Utilities such as phone and internet service
- Administrative costs
- Advertising (and other marketing)
- Rent
- Office supplies



## Depreciation

Depreciation is the reduction in the value of any of your business assets, like machinery or equipment. Note that depreciation most commonly is an indirect expense, but depending upon the context,

### EBIT (Earnings before Interest and Tax)

EBIT stands for earnings before interest and tax. It's usually one of the last numbers on your statement. There are different EBIT formulas: a simple calculation is to subtract operating expenses and cost of goods (COG) from revenue.

### EBT (Earnings Before Tax)

Earnings before Tax can tell you a lot about your business performance. Subtract COGs, OPEX, and depreciation from your total revenue to find EBT.

### Net Income: Profit or Loss

Finally, you calculate the net income, by subtracting your indirect expenses from your gross profit. This is your net profit — or loss — and the famed “bottom line” of the P&L statement. You use this to determine if your business is profitable or not, and by how much. This shows your business's profit or loss. If you show a loss, it means you spent more than you earned. If you show a profit, it means you made more than you spent.

- **How to Analyze a Profit and Loss Statement**

It's hard not to be intimidated by your P&L statement. Even if you know the terms, how do you pull together the data to make any significant statements on business progress? But it's critical to analyze your profit and loss statements. A detailed analysis of your profit and loss statement can reveal insights into your business performance, flagging strengths, and weaknesses. Plus, you can also use your profit and loss statement to compare your company against similar businesses and create industry benchmarks.



- **Performing a P&L Analysis**

We've gathered some of the most effective ways to perform a P&L statement analysis:

Year-on-year comparisons. Take a close look at drastic changes, e.g., drop in sales

- ✓ Studying trends. What's the trajectory of your business? Are your strategies paying off?  
Comparing annual performance will help you determine whether revenue is growing faster than expenses, for instance.
- ✓ Projections. Consider using your P&L statement to help project future cash flows.
- ✓ Evaluating margins, e.g., gross profit margin
- ✓ Sales: study your standout months. Are there any particular drivers of success? For instance, did you double down on marketing, causing a bump in sales?
- ✓ Expenses. Are there ways to reduce expenses? What are the biggest expenses? Does this make sense for your business?
- ✓ Income. Are your income sources sustainable?

Examining these numbers can give you a good idea about the financial health of your business.

- **How Do You Prepare a Profit and Loss Statement?**

Your focus is on two accounts: income and expenditure. We've collected common business income and expenditure, provided by the Internal Revenue Service. First, you can pull together your own statement and create the document using a spreadsheet. Tools like Excel and Google Sheets have templates. We've created a simple profit and loss statement template for you to use here. Or, you can use small business accounting software. Either way, you'll need the same data. And the best thing is, you should already have all the data you need.





<b>Self-check-10</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

The following are multiple choices.

N°	Questions	
	A	B
1	Gross Profit	Gross Margin / Revenue
		Revenue + Direct Costs
2	Gross Margin %	Revenue - Direct Costs
		Revenue/Gross Margin
3	Purpose of a Profit and Loss Statement	
		to calculate your net operating profit or loss

**Note: the satisfactory rating is as followed**

Satisfactory	2 and Above 2 points
Unsatisfactory	Below 2 points





<b>Information Sheet-11</b>	<b>Conducting financial interpretation with appropriate person</b>
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## 11.1 Conducting financial interpretation with appropriate person

- **Key Elements of a Financial Statement**

- ✓ Cash flow statement from ongoing operations
- ✓ Balance sheet listing company liabilities and assets
- ✓ Income statement—also known as the profit & loss statement—showing financial performance. Each statement takes the company's financial pulse in a different area. To show how these documents work, the following examines an actual historical balance sheet, income statement and cash flow statement of Target Corporation, shows how you can calculate some financial ratios, and a few ways to interpret the data.

- **Interpreting the Balance Sheet**

Balance sheet information allows you to calculate several financial ratios that measure company performance. Additionally, current balance sheets often present data from at least one previous period, so you can compare how financial performance has changed. The balance sheet presents the company's financial status as a snapshot, or at a certain point in time. For example, if the balance sheet is presented as of May 1, 2018, you would see the bank account balances from that date in the balance sheet's line item called cash, in the current assets section.

- **Balance Sheet Quick Ratio**

This measures Target's ability to meet its debt obligations without selling off inventory; the higher the result, the better. It is expressed as (current assets minus inventories) divided by current liabilities.

- **Interpretation**

If this number declines over time or falls short of your benchmark, you may be investing too much capital in inventory or you may have taken on too much short-term debt.

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- **Introduction to Analysis and Interpretation of Financial Statements:**

Analysis and interpretation of financial statements are an attempt to determine the significance and meaning of the financial statement data so that a forecast may be made of the prospects for future earnings, ability to pay interest, debt maturities, both current as well as long term, and profitability of sound dividend policy. The first three steps involving the work of the accountant in the accumulation and summarization of financial and operating data as well as in the construction of financial statements are:

- ✓ Analysis of each transaction to determine the accounts to be debited and credited and the measurement and variation of each transaction to determine the amounts involved.
- ✓ Recording of the information in the journals, summarization in ledgers and preparation of a worksheet.
- ✓ Preparation of financial statements.

## **11.2 Types of Financial Analysis:**

The process of analysis may partake the varying types. Normally, it is classified into different categories on the basis of information used and on the basis of modus operandi.

- **On the basis of Information Used:**

- ✓ External analysis.
- ✓ Internal analysis.

### **External analysis**

is an analysis based on information easily available to outsiders (externals) for the business. Outsiders include creditors, suppliers, investors, and government agencies regulating the business in a normal way. These parties do not have access to the internal records (information) of the concern and generally obtain data for analysis from the published financial statements. Thus an analysis done by outsiders is known as external analysis.

### **Internal analysis**

is an analysis done on the basis of information obtained from the internal and unpublished records and books. While conducting this analysis, the analyst is a part of the enterprise he is



analyzing. Analysis for managerial purposes is the internal type of analysis and is conducted by executives and employees of the enterprise as well as governmental and court agencies which may have major regulatory and other jurisdiction over the business.

- **Preliminaries Required for Analysis and Interpretation of Financial Statements:**

The following procedures are required to be completed for making an analysis and interpretation of financial statements:

- ✓ Data should be presented in some logical way.
- ✓ Data should be analyzed for preparing comparative statements.
- ✓ All data shown in financial statements should be studied just to understand their significance.
- ✓ The objective and extent of analysis and interpretation should be determined.
- ✓ Facts disclosed by the analysis should be interpreted taking into account economic facts.
- ✓ Interpreted data and information should be in a report form.

- **Objectives of Analysis and Interpretation of Financial Statements:**

The following are the some of the common objects of interpretation:

- ✓ To investigate the future potential of the concern
- ✓ To determine the profitability and future prospects of the concern
- ✓ To make comparative study of operational efficiency of similar concerns
- ✓ To examine the earning capacity and efficiency of various business activities with the help of income statements.
- ✓ To estimate about the performance efficiency and managerial ability.
- ✓ To determine short term and long term solvency of the business concerns.
- ✓ To enquire about the financial position and ability to pay of the concerns.
- ✓ Importance of Analysis and Interpretation of Financial Statements:
- ✓ The following factors have increased the importance of the analysis and interpretation of financial statements:



- ✓ Decision taken on the basis of intuition may be wrong and defective on the other hand. Analysis and interpretation are based on some logical and scientific methods and hence decisions taken on that basis seldom prove to be misleading and wrong.
- ✓ The user as individual has a very limited personal experience. He can only understand the complexities of business and mutual relationship by observation and external experience. Thus it becomes necessary that financial statements in an implicit form should be analyzed in an intelligible way.
- ✓ Decision or conclusions based on scientific analysis and interpretation are relative and easily to be read and understood by other people.
- ✓ Even to verify and examine the correctness and accuracy of the decisions already taken on the basis of intuition, analysis and interpretation are essential.

- **Techniques of Analysis and Interpretation:**

The most important techniques of analysis and interpretation are:

- ✓ Ratio Analysis
- ✓ Fund Flow Analysis
- ✓ Cash Flow Analysis.

### **Ratio Analysis:**

Two individual items on the statements can be compared with one another and the relationship is expressed as a ratio. Ratios are computed for items on the same financial statement or on different statements. These ratios are compared with those of prior years and with those of other companies to make them more meaningful. A ratio is a simple mathematical expression. Ratio may be expressed by a number of ways. It is a number expressed in terms of another number

### **Fund Flow Analysis:**

Funds Flow Analysis has been the salient feature of the evolution of accounting theory and practice. The financial statement of a business provides only some information about financial activities of a business in a limited manner. The income statement deals solely with operations and the balance sheet shows the changes in the assets and liabilities. In fact, these



statements are substantially an analysis of static aspects of financial statements. Under this context, it is imperative to study and to analyses the fund movements in the business concern. Such a study or analysis may be undertaken by using another tool of financial analysis, which is called 'Statement of Sources, and Uses of Funds' or simply 'Fund Statement' or Fund Flow Analysis. This statement is also called by other several names and they are:

- ✓ Application of Funds Statement.
- ✓ Statement of Sources and Applications of Funds.
- ✓ Statement of Funds Supplied and Applied.
- ✓ Where Got and Where Gone Statement.
- ✓ Statement of Resources Provided and Applied.
- ✓ Fund Movement Statement.
- ✓ Inflow-Outflow of Fund Statement.

### **Cash Flow Analysis:**

Fund Flow Statement fails to convey the quantum of inflow of cash and outflow of cash. When we say cash, we refer to the cash as well as the bank balances of the company at the end of the accounting period as reflected in the Balance Sheet of the company. Cash is a current asset like inventory and Accounts Receivables. Cash reflects its liquidity position. The term cash can be viewed in two senses. In a narrow sense, it includes actual cash in the form of notes and coins and bank drafts held by a firm and the deposits withdraw able on demand the company has held in commercial banks. But in a broader sense, it also includes what are called 'marketable securities' which are those securities which can be immediately sold or converted into cash if required. Cash flow statement is a statement of cash flow and cash flow signifies the movements of cash in and out of a business concern. Inflow of cash is known as sources of cash and outflow of cash is called uses of cash. This statement also depicts factors for such inflow and outflow of cash. Thus cash flow statement is a statement designed to highlight upon the causes which bring changes in cash position between two Balance Sheets dates. It virtually takes the nature and character of cash receipts and cash payments though the basic information used in the preparation of this statement differs from that which is used in recording cash receipts and cash payments.



<b>Self-check-11</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

**Multiple choices.**

<b>N°</b>	<b>Questions and answers</b>
<b>1</b>	<p>The elements include:</p> <ul style="list-style-type: none"><li>A. Cash flow statement from ongoing operations</li><li>B. Balance sheet listing company liabilities and assets</li><li>C. Income statement—also known as the profit &amp; loss statement—showing financial performance</li><li>D. All</li></ul>
<b>2</b>	<p>The most important techniques of analysis and interpretation are:</p> <ul style="list-style-type: none"><li>A. Ratio Analysis</li><li>B. Fund Flow Analysis</li><li>C. A &amp; B</li><li>D. none</li></ul>
<b>3</b>	<p>Importance of Analysis and Interpretation of Financial Statements:</p> <ul style="list-style-type: none"><li>A. Decision taken on the basis of intuition may be correct and non-defective on the other hand.</li><li>B. The user as individual has a un limited personal experience.</li><li>C. Decision or conclusions based on scientific analysis and interpretation are relative and easily to be read and understood by other people.</li><li>D. all</li></ul>

**Note: the satisfactory rating is as followed**

Satisfactory	2 and Above 2 points
Unsatisfactory	Below 2 points



Information Sheet-12	Preparing financial manual
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## 12.1 Preparing financial manual

- **What Is an Accounting Manual?**

An accounting manual contains pertinent accounting rules and other information for a business or organization. It is a manual that is internally developed and contains information specific to the organization for which it was developed.

- **Key Takeaways**

- ✓ An accounting manual contains the accounting policies and procedures of a company.
- ✓ Developed internally, the accounting manual contains company-specific accounting information for the firm to follow.
- ✓ The accounting manual works as a guideline for accounting personnel and as a training manual for new employees.
- ✓ An accounting manual usually contains information such as the various departments in the firm, the types of accounting used, special instructions for maintaining ledgers, reporting requirements, and budgetary information

- **Understanding an Accounting Manual**

An accounting manual contains an outline of all of the pertinent accounting rules, procedures, and guidelines for an organization. It is developed internally by the organization and can be used as a reference tool, to cross-train associates, or to train newly hired personnel. Accounting manuals differ in size and content from one organization to another depending on the type and size of the organization. The accounting manual of a firm may list the positions or departments within the organization, a list of accounts, special instructions for maintaining ledgers or records of transactions, or other rules that need to be followed by the accounting staff. It may often contain budgetary information or samples of forms that need to be completed and maintained on-site for recording purposes or sent externally for reporting purposes. Essentially, an accounting manual is an outline of all the important accounting information and procedures for a business.



- **Components of an Accounting Manual**

An accounting manual usually opens with an introduction, explaining the purpose of the manual, and what those reading it should gain from it, as well as management's responsibility in relation to the accounts of the firm. The next section usually tackles the different departments of the firm and highlights how they factor into the accounting process. This portion explains the company's structure and the responsibilities of each department. Thereafter, the accounting procedures and policies are explained and how reporting should be conducted. Following this portion, the accounting manual details the process of planning, reporting requirements, and the authorized personnel who oversee these functions. The process after this might focus on different accounting aspects, such as internal audits, cost accounting, inventory accounting, and cash accounting. The accounting manual usually ends with various resources to assist in the entire process.





<b>Self-Check-12</b>	<b>Written Test</b>
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Answer all the questions listed below. Use the Answer sheet provided in the next page:

### Matching

N°	Questions
1	<p>-----manual works as a guideline for accounting personnel and as a training manual for new employees.</p> <p>A. cost</p> <p>B. accounting manual</p> <p>C. All</p> <p>D. None</p>
2	<p>-----An accounting manual contains: and other.</p> <p>A. pertinent accounting rules</p> <p>B. information for a business or organization</p> <p>C. procedures and guidelines for an organization</p> <p>D. All</p>

Satisfactory	Above 2 points
Unsatisfactory	Below 2 points



# **Solar PV System Installation and Maintenance**

**Level-IV**

## **Learning Guide-65**

<b>Unit of Competence</b>	<b>Manage and Maintain Small/Medium Business Operations</b>
<b>Module Title</b>	<b>Managing and maintaining Small/Medium Business Operations</b>
<b>LG Code</b>	<b>EIS PIM4 M15 LO7-LG65</b>
<b>TTLM Code</b>	<b>EIS PIM4 0920v1</b>

### **LO7: Monitor, Manage and Evaluate work Performance**



<b>Instruction Sheet</b>	<b>Learning Guide -65</b>
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This learning guide is developed to provide you the necessary information, knowledge, skills and attitude regarding the following content coverage and topics:-

- Coordinating People, resources and/or equipment
- Business goals
- communicating Staff, clients and/or contractors
- Applying problem solving techniques.
- Monitoring Opportunities for improvements.
- Adjusting work schedules
- Communicating and recording proposed changes.
- Using relevant codes of practice.

This guide will also assist you to attain the learning outcome stated in the cover page. Specifically, upon completion of this Learning Guide, you will be able to:-

- Coordinate People, resources and/or equipment
- Business goals
- Communicate Staff, clients and/or contractors
- Apply problem solving techniques.
- Monitor Opportunities for improvements.
- Adjusting work schedules
- Communicate and record proposed changes.
- using relevant codes of practice

### **Learning Instructions:**

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below.
3. Read the information written in the information Sheets
4. Accomplish the Self-checks



Information sheet-1	Coordinating People, resources and/or equipment
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## 1.1 Coordinating People, resources and/or equipment

Business resources can take the form of equipment, finances and people (human resources). There are often competing priorities in businesses of any size that demand these types of resources to get things done on time and on budget. This course is designed for those who need to organize events or small projects, provide administrative support to different business units or are responsible for procuring and sourcing equipment and materials for the organization. Coordinating resources is a foundation skill for anyone working in a business environment.

- **The 5 M's Of Business Management: Organizing Them Effectively**

Every business has been using these five M's: man, materials, machines, minutes and money; to operate with, or without, success. To create any venture without any one of these M's is simply embarking on a journey to ere won. It is sheer entrepreneurial hara-kiri to even attempt to cut corners. Failure awaits such business. It will also be disastrous for organizations not to properly and effectively organize the M's for business success.

✓ **Man:** the first of the five M's is the most important. The right personnel for the right position is a sure bet for organizational effectiveness and efficiency. No two ways about that. Thus, lateness and absenteeism, unsafe acts, alcoholism, poor training, incompetence are just some of the attributes of man at work that could upturn the apple cart of business ventures. Human resources determine the workings of the other four basic business resources. People make sure materials, machines; minutes and money are utilized in a productive manner to achieve goals or aims and objectives of organizations and enterprises. Poor employment practices are inimical to the sustenance of such ventures. With the right man in the right job, a large portion of effective business management will have been achieved. No doubts about that.

✓ **Materials:** Without materials, human resource is made redundant. Thus every right thinking and right planning organization knows that materials needed for any business or service must be in place before 'man' can be of use in any business activity.

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✓ **Machines:** The metal contraptions called machines have made man fulfill almost effortlessly various dreams of creating things that make our existence more worthwhile. Machines have replaced man in tilling, planting, and harvesting. Man has been replaced with looms in cotton and fabric processing. Countless other ventures requiring physical exertions of force has been taken over by things fixed with gears, bolts and nuts and conveyor belts. Recently, computers joined in the fray of increasing production and reduction in time spent by man for manufacturing and general production of goods and services. However, without man and materials, machines will be useless. They need to be operated by man and fed with materials. That again is a doubtless fact.

✓ **Minutes:** Time management is one contemporary aspect of business that has been employed in use by effective and successful business ventures to optimize delivery. As earlier noted, lateness and absenteeism of man at work is a large chunk of time off production. Poor time management is as ineffectual as a broken down machine, an indisposed employee or lack of adequate materials for production of goods or services. Various schemes have been used by successful enterprises to ensure proper and efficient use of time by man and machine, including timely delivery of materials, to ensure business sustainability. Compromising time is tantamount to a business venture shooting itself in the foot. There are umpteen instances to ascertain this truism.

✓ **Money:** Without money, no venture or enterprise can motivate workers, get quality and sufficient materials, get the right machines and maintain them or even ensure that time is properly managed. Money management, when not properly organized has been the most known factor involved in collapse of enterprises in history. The quantity and quality of money expended in ventures have a direct bearing on the fruitfulness of same over time. Accounts department have been revolutionized over the years, by man, to ensure maximum operations of surviving business organizations. Where there is not enough money, no good workers, materials, or machines can be employed or purchased or acquired. In other words, such a venture will be wasting its time existing in the first place.



Self-Check-1	Written Test
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Answer all the questions listed below. Use the Answer sheet provided in the next page:

### Matching

N°	Questions and answers
	<b>Matching</b>
	1) Materials                      A. contemporary aspect 2) Money                         B. first of the five M' 3) Machines                     C. Venture 4) Man                             D. human resource is made redundant 5) Minutes                       E. man fulfill almost effortlessly

Satisfactory	3 and Above 3 points
Unsatisfactory	Below 3 points



Information sheet-2	Business goals
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## 2.1 Business goals?

Business goals are goals that a business anticipates accomplishing in a set period of time. You can set business goals for your company in general as well as for particular departments, employees, managers and/or customers. Goals typically represent a company's larger purpose and work to establish an end-goal for employees to work towards. Business goals do not have to be specific or have clearly defined actions. Instead, business goals are broad outcomes that the company wishes to achieve.

- **Setting business goals are important for several reasons, including that they:**
  - ✓ Provide a way to measure success
  - ✓ Keep all employees on the same page as to what the goals of the company are
  - ✓ Give employees a clear understanding of how decision-making reaches company's goals
  - ✓ Ensure the company is headed in the right direction

- **What are business objectives?**

Business objectives are clearly defined and measurable steps that are taken in order to meet a company's broader goals. Objectives are specific in nature and can be easily defined and kept track of. Companies must establish objectives in order to achieve their business goals.

- **The following are the differences between business goals and business objectives:**
  - ✓ Business goals define the "what" of a business's purpose whereas business objectives define the "how."
  - ✓ Business goals typically only provide a general direction that a company will follow whereas business objectives clearly outline actionable steps.
  - ✓ Business objectives are measurable whereas business goals generally are not.
  - ✓ Business objectives are specific whereas business goals are more broad and all-encompassing.
  - ✓ Business objectives typically have a set timeline whereas business goals do not.

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- **How to set short-term business goal**

Short-term business goals are typically goals that you want your company to achieve in a period of weeks or months. The following are steps you can take when setting short-term business goals:

- ✓ Identify your company's short-term business goals for a set period of time.
- ✓ Break down each goal into actionable business objectives.
- ✓ Ensure your objectives are measurable.
- ✓ Assign goal-related tasks to employees.
- ✓ Measure progress regularly.

- **Identify your company's short-term business goals for a set period of time**

The first step in setting short-term business goals is to figure out which goals you want to achieve in a set period of time. Many short-term goals are goals that further the achievement of long-term goals. Consider your long-term goals as well as what you want to accomplish in the next weeks or months and translate these into short-term goals that will propel your business forward.

- **Break down each goal into actionable business objectives**

Next, you should break down each short-term goal into actionable objectives. These objectives should represent the steps your company will take to reach each goal. For example, if your goal is to get six new customers in the next month, your objectives will be the steps you will take to secure the business of six customers, such as putting a new ad in a newspaper and posting three times a week on social media.

- **Ensure your objectives are measurable**

The business objectives you establish in the previous step need to be measurable. For example, if one of your objectives to reach a short-term goal is to post more on social media, don't simply state "post more on social media" as a strategy. Instead, make the objective measurable by being as specific as possible.





- **Assign goal-related tasks to employees**

Once you have established the objectives for each short-term goal, assign each objective to an employee or team of employees who will see the objective through to completion.

- **Measure progress regularly**

Regularly measure the progress of your short-term goals to ensure you are on track to meeting them in the time frame you established. For example, if you increase your social media posts to three times a week as part of a business goal, measure any increased customer/potential customer interaction you receive as a result. Keep track of the progress and adjust your objectives if needed to better meet your goals.

- **Examples of short-term business goals**

Here are a few examples of short-term business goals:

- ✓ Increase product prices by 3% over the next three months
- ✓ Hire three new marketing employees over the next five months
- ✓ Increase traffic on your company's blog.
- ✓ Implement monthly giveaways for customers on social media.
- ✓ Begin an "Employee of the Month" award program
- ✓ Select a charity to begin sponsoring
- ✓ Create a profile on a new social media channel.
- ✓ Increase social media posting to three times a week.



<b>Self-Check-2</b>	<b>Written Test</b>
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Answer all the questions listed below. Use the Answer sheet provided in the next page:

**Multiple choices.**

<b>N°</b>	<b>Questions</b>
	<b>Multiple choices</b>
1	Which one of the following is not advantages of short term planning? A. Create a profile on a new social media channel B. Increase social media posting to three times a week C. Select a charity to begin sponsoring D. None
2.	Short-term business goals are typically goals that you want your company to achieve in a period of weeks or months. A. True B. False
3.	The first step in setting short-term business goals is? A. to figure out which goals you want to achieve in a set period of time B. Identify your company's short-term business goals C. Ensure your objectives are measurable D. none

Satisfactory	2 and Above 2points
Unsatisfactor	Below 2 points



Information sheet-3	Communicating Staff, clients and/or contractors
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### 3.1 Communicating Staff, clients and/or contractors

Marketing and communication pros share their tips for how companies can foster better communication (and collaboration) among employees, as well as improve customer communications.

- **What Is Business Communication**

Business communications are the process of sharing information between employees within and outside a company. Effective business communication is how employees and management interact among each other to reach organizational goals and be more aligned with the core company values. Its main purpose is to improve organizational practices, eliminate silos, keep employees informed and reduce errors.

### 3.2 Types of business communications.

- **Internal upward communication**

Internal upward business communication is communication that comes from a subordinate to a manager or an individual up the organizational hierarchy. Every leader should enable information to flow upwards in order to have a true understanding of the company's operations. Internal upward communications usually include surveys, feedback, forms and reports that employees deliver to their managers or team leaders. For example, a marketing report may include statistics such as total website visitors, social media engagement or total leads generated.

- **Internal downward communication**

Internal downward communication flows from a superior to one or more subordinates. This type of communication might be in the form of a letter, a memo or a verbal directive. When communicating with employees, leaders should keep communication professional and clear. An example of this type of communication may include a memo regarding a new company operations procedure such as safety requirements and new regulations

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- **Internal lateral communication**

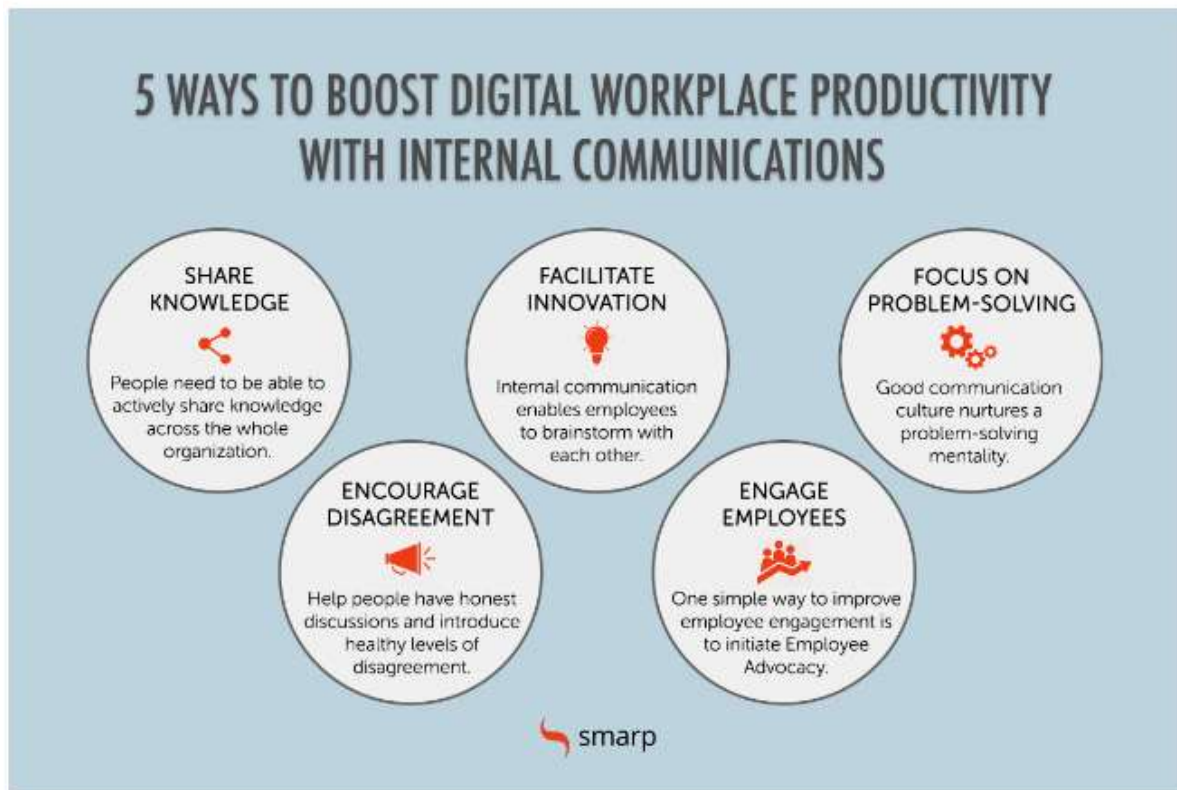
Internal lateral business communication happens among employees in the workplace. Today, there are many different ways employees can communicate: chats, messaging, email, employee's communication software solutions. This type of communication can be within or among departments and it happens more regularly than other types of business communication. Moreover, frequent communication among employees play a crucial role for employee engagement and productivity.

- **External communication**

External business communication is any communication that happens with external parties such as customers, prospects, vendors or partners. Unlike all the internal business communications types, external communications happen on a less regular basis.



**Figure: 8 Main types of business communications**



**Figure 9 Digital communication**



<b>Self-Check-3</b>	<b>Written Test</b>
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Answer all the questions listed below. Use the Answer sheet provided in the next page:

**Multiple choices**

<b>N°</b>	<b>Questions</b>
<b>1</b>	The purpose of business communications is A. to improve organizational practices B. eliminate silos, keep C. keep employees informed and reduce errors D. all of the above
<b>2.</b>	Internal lateral business communication happens among employees in the Workplace. A. True B. False
<b>3.</b>	<b>Internal downward communication</b> flows from a superior to one or more Subordinates A. True B. False

Satisfactory	2 and Above 2 points
Unsatisfactory	Below 2 points



Information Sheet-4	Applying problem solving techniques
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#### 4.1 What is Problem Solving?

Problem solving is the act of defining a problem; determining the cause of the problem; identifying, prioritizing, and selecting alternatives for a solution; and implementing a solution.

A problem is the distance between how things currently are and the way they should be. Problem solving forms the 'bridge' between these two elements. In order to close the gap, you need to understand the way things are (problem) and the way they ought to be (solution).

- **Difference between Problem Solving and Decision Making**

Although there is a clear distinction between problem solving and decision making, the two are often confused. Problem solving differs fundamentally from decision making. A problem occurs when something is not behaving as it should, something is deviating from the norm or something goes wrong. Decision making is a case of choosing between different alternatives. Decision making is required in response to the question: "Which computer shall I buy?" Problem solving is needed in response to the statement: "My computer won't work". Most problem solving methods follow a common pattern, beginning with a definition of the problem, moving on to the consideration of potential solutions, and culminating with the selection, testing and implementation of a chosen course of action. Divergent thinking techniques can be helpful in generating creative ideas, while convergent thinking can assist in structuring and evaluating potential solutions. Problems can be classified into one of two categories: the '**fix-it**' or the '**do-it**' scenario:

- ✓ **Fix-it** – solving an existing problem, (e.g. a current product range is falling short of its sales targets). An immediate short-term solution could be to increase marketing activity, for example.
- ✓ **Do-it** – moving you in the right direction for what you want to achieve, (e.g. a new product range needs to be introduced to compete with market rivals). This type of problem will require longer term planning in order to achieve its objectives.

Irrespective of the severity or complexity of the problem, the process should:

- ✓ be systematic and thorough
- ✓ provide evidence to show how the problem was solved

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- ✓ avoid a rush to a solution without first understanding the cause of the problem
- ✓ enable possible causes to be assessed

- **Seven Steps for Effective Problem Solving in the Workplace**

Problem- solving and decision-making. Ask anyone in the workplace if these activities are part of their day and they answer 'Yes!' But how many of us have had training in problem-solving? We know it's a critical element of our work, but do we know how to do it effectively?

- **People tend to do three things when faced with a problem:**

They get afraid or uncomfortable and wish it would go away; they feel that they have to come up with an answer and it has to be the right answer; and they look for someone to blame. Being faced with a problem becomes a problem. And that's a problem because, in fact, there are always going to be problems!

- **There are two reasons why we tend to see a problem as a problem:**

it has to be solved and we're not sure how to find the best solution, and there will probably be conflicts about what the best solution is. Most of us tend to be "conflict-averse". We don't feel comfortable dealing with conflict and we tend to have the feeling that something bad is going to happen. The goal of a good problem-solving process is to make us and our organization more "conflict-friendly" and "conflict-competent".

- **There are two important things to remember about problems and conflicts:**

they happen all the time and they are opportunities to improve the system and the relationships. They are actually providing us with information that we can use to fix what needs fixing and do a better job. Looked at in this way, we can almost begin to welcome problems! (Well, almost.) Because people are born problem solvers, the biggest challenge is to overcome the tendency to immediately come up with a solution. Let me say that again. The most common mistake in problem solving is trying to find a solution right away. That's a mistake because it tries to put the solution at the beginning of the process, when what we need is a solution at the end of the process.

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**Here are seven-steps for an effective problem-solving process.**

**i. Identify the issues.**

- ✓ Be clear about what the problem is.
- ✓ Remember that different people might have different views of what the issues are.
- ✓ Separate the listing of issues from the identification of interests (that's the next step!).

**ii. Understand everyone's interests.**

- ✓ This is a critical step that is usually missing.
- ✓ Interests are the needs that you want satisfied by any given solution. We often ignore our true interests as we become attached to one particular solution.
- ✓ The best solution is the one that satisfies everyone's interests.
- ✓ This is the time for active listening. Put down your differences for a while and listen to each other with the intention to understand.
- ✓ Separate the naming of interests from the listing of solutions.

**iii. List the possible solutions (options)**

- ✓ This is the time to do some brainstorming. There may be lots of room for creativity.
- ✓ Separate the listing of options from the evaluation of the options.

**iv. Evaluate the options.**

- ✓ What are the pluses and minuses? Honestly!
- ✓ Separate the evaluation of options from the selection of options.

**v. Select an option or options.**

- ✓ What's the best option, in the balance?
- ✓ Is there a way to "bundle" a number of options together for a more satisfactory solution?

**vi. Document the agreement(s).**

- ✓ Don't rely on memory.
- ✓ Writing it down will help you think through all the details and implications.



vii. **Agree on contingencies, monitoring, and evaluation.**

- ✓ Conditions may change. Make contingency agreements about foreseeable future circumstances (If-then!).
- ✓ How will you monitor compliance and follow-through?
- ✓ Create opportunities to evaluate the agreements and their implementation. ("Let's try it this way for three months and then look at it.")
- ✓ Effective problem solving does take some time and attention more of the latter than the former. But less time and attention than is required by a problem not well solved. What it really takes is a willingness to slow down. A problem is like a curve in the road. Take it right and you'll find yourself in good shape for the straightaway that follows. Take it too fast and you may not be in as good shape.
- ✓ Working through this process is not always a strictly linear exercise. You may have to cycle back to an earlier step. For example, if you're having trouble selecting an option, you may have to go back to thinking about the interests.
- ✓ This process can be used in a large group, between two people, or by one person who is faced with a difficult decision. The more difficult and important the problem, the more helpful and necessary it is to use a disciplined process. If you're just trying to decide where to go out for lunch, you probably don't need to go through these seven steps!
- ✓ Don't worry if it feels a bit unfamiliar and uncomfortable at first. You'll have lots of opportunities to practice!



<b>Self-check-4</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

Multiple choices.

<b>N°</b>	<b>Questions and answers</b>
<b>1</b>	<p>-----is the act of defining a problem; determining the cause of the problem; identifying, prioritizing, and selecting alternatives for a solution; and implementing a solution.</p> <p>A. Problem solving B. Evaluation C. A &amp; B</p>
<b>2</b>	<p>-----Irrespective of the severity or complexity of the problem, the process should:</p> <p>A. be systematic and thorough B. provide evidence to show how the problem was solved C. avoid a rush to a solution without first understanding the cause of the problem D. enable possible causes to be assessed E. All</p>

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 2 points



Information Sheet-5	Monitoring Opportunities for improvements
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## 5.1 Monitoring Opportunities for improvements

- **How Business Process Monitoring Can Streamline Your Processes**

Most of today's businesses contain a significant number of different processes across the various areas and functions in which they operate. As organizations become larger and more diversified, complexities inevitably arise and more and more processes are needed to standardize and organize tasks and keep operations on track.

- **What is business process monitoring?**

Business process monitoring is the activity of reviewing and analyzing the performance of such processes to identify successes and problems. Monitoring is an integral part of the business process management (BPM) lifecycle. BPM monitoring is usually carried out via software known as a business process monitoring tool (BPM monitoring tool).

- **Different aspects of business process monitoring**

The concept of business process monitoring covers such a broad scope, potentially looking at activities within every aspect of the business. To achieve success within business process monitoring, a structured approach is needed.

- ✓ **Functional monitoring**

Functional monitoring as part of BPM involves taking a specific business application and reviewing how it is performing its role within a specific process or part of the business. Functional monitoring as part of BPM monitoring is an effective way of detecting any problems or blockages within a system or process. However, its findings need to be applied within the broader business context in order to find potential solutions and make improvements.

- ✓ **Technical business process monitoring**

Technical business process monitoring has a slightly different definition, in that it is primarily responsible for analyzing the performance of specific systems, software, or equipment. Technical monitoring is quite a popular activity in many organizations, especially with those

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who are keen to check that their return on investment is healthy and that their systems are operating as efficiently as possible.

### ✓ **Process monitoring**

Process monitoring is a more comprehensive type of BPM, as it encompasses the whole spectrum of activities and workflows that exist in a business. It compares performances of systems, equipment, and software and how they integrate and work within a whole process. It's an essential part of business process monitoring as a whole.

### ✓ **The need for business process monitoring**

How can business process monitoring help your organization succeed? First, BPM monitoring is the ideal way to set out all of your business processes and compare performance across them. It picks up duplications or repetitive tasks and identifies problems that cause performance issues, allowing you to take concrete steps to make improvements and track progress. This is one of the critical reasons why BPM monitoring can be so effective. Most businesses rely on a great number of processes across different departments to run effectively. However, it's not enough to put a process in place and then leave it running. It's vital to undertake regular "health checks" of your processes by carrying out BPM monitoring. After all, so many things change on a daily, weekly, and monthly basis, and your processes need to keep up with this so that they accurately reflect your business operations. BPM monitoring can support your business to make this happen.

- **What is Monitoring Evaluation: Continuous Improvement and how does it improve performance?**

This article covers Monitoring Evaluation: Continuous Improvement. Monitoring & Evaluation is a process of organizational improvement. A programmer has to be effectively researched, planned, resources allocated and allow for continuous development. Moreover, a major function of Monitoring & Evaluation is that it has a future orientation and sets goals for improving management outputs. Prior to implementing, stakeholders should go through an induction process.



- ✓ **S-** Specific,
- ✓ **M-** Measurable,
- ✓ **A-** Attainable,
- ✓ **R-** Relevant,
- ✓ **T-** Timely.

- **Continuous Improvement**

The program me processes must be continually examined to eliminate problems or risks. During the Monitoring and Evaluation implementation phase, specific problems can be identified and the team can participate in remedying challenges. First and foremost, programs must involve all stakeholders' active and positive involvement. Accordingly, this will allow for sustainable change within an inclusive, multi-cultural environment. Hence, team members help evaluate the measurable outcomes and become part of the solution. Through continuous analysis of the programmed, the team can create an action plan to devise solutions.

- **Monitoring Evaluation: Continuous Improvement – Challenges**

- ✓ Defining indicators can be complicated. When considering monitoring and evaluation for a programed, indicators should be clearly and thoroughly defined.
- ✓ Goals, outcomes, outputs and activities must be measured to contribute to a results-based management solution.
- ✓ Your organization must be clear about what success looks like. Generally, this can be simplified by using the monitoring and evaluation tools.
- ✓ It is often challenging to interpret data which may not be available in-house.

- **Benefits of Monitoring and Evaluation**

- ✓ Monitoring and evaluation (M&E) as a management tool provide evidence-based, measurable outcomes.
- ✓ M&E address the accountability and responsibility of team members. It tells how the project worked, resources spent and whether a programed should continue.
- ✓ It also addresses lessons learnt and how to improve.



<b>Self-check-5</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

**Multiple choices.**

<b>N°</b>	<b>Questions</b>
<b>1</b>	<p>-----is the activity of reviewing and analyzing the performance of such processes to identify successes and problems.</p> <p>A. Functional monitoring</p> <p>B. Business process monitoring</p> <p>C. Smart</p> <p>D. None</p>
<b>2</b>	<p>-----Benefits of Monitoring and Evaluation</p> <p>A. Monitoring and evaluation (M&amp;E) as a management tool provide evidence-based, measurable outcomes.</p> <p>B. M&amp;E address the accountability and responsibility of team members. It tells how the project worked, resources spent and whether a programmed should continue.</p> <p>C. It also addresses lessons learnt and how to improve.</p> <p>D. All</p>

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 2 points



Information Sheet-6	Adjusting work schedules
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## 6.1 Adjusting work schedules Work Schedule Tracking

Employee work schedule changes can be a significant hassle. Call-outs, no-shows, and late vacation requests can all throw even the best-planned work schedule into a tailspin. Our tips will help calm the shift schedule chaos and get everyone back to work.

- **The Work Schedule Nightmare**

Handling the employee shift schedule ranks high in the topmost dreaded responsibilities for restaurant managers. Even with a small restaurant, the employee schedule can get complicated. Work schedule managing is not just about what's best for the restaurant; when dealing with the shift schedule for everyone in the store, you also have to consider employee schedule needs. Who can't work weekends? Who has to be off by five to pick up their kids from daycare? And what about the ones who call in at the last minute and request time off for a family emergency? A good restaurant general manager will do their best to make sure the employees feel heard, their private lives considered, and still create a fair employee schedule for everyone. But getting the right work schedule sure can be tough!

If you've been making your employee schedule for a while already, you probably understand the pressure all too well and are seeking a better way to handle the shift schedule nightmare. If you're new to work scheduling, perhaps we can help you avoid some of that stress altogether.

- **Work schedule 1**

It's always best to start at the beginning, so let's quickly cover some employee schedule basics before we get into the main tips for scheduling success. Your top priority, of course, is making sure the restaurant is profitable and running at peak efficiency within all safety protocols. To do that, you must ensure the appropriate staff members are on site during business hours. One call-out can send the whole store into a tizzy, so have a backup plan in place. This takes a little pre-planning, and it involves talking to your employees ahead of time, but it's worth the extra effort now to avoid a catastrophe down the line. Get a list of employees that are willing to work extra hours or to fill in when someone calls out. These will be your go-to

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helpers when the inevitable call-out happens, and they'll be happy for the extra hours. It's much better to have that list of willing fill-ins than to ask a less-than-willing employee to give up their day off. That call is awkward for everyone, and it can leave an employee feeling used or even guilt-tripped into coming in. Best to avoid that headache all together!

Another work schedule basic is to be sure everyone knows where to find the employee schedule and who to ask if there are any changes. We'll go into some more details on making this step easier later, but at the very least, your employees need to know where they can check the schedule each day.

- **Top Tips for Simple Work Scheduling**

i. **Communicate Effectively**-Communicating with your staff is one of the best ways to ensure your work schedule is fair and equitable for everyone. Provide a way for employees to leave feedback, request a specific shift schedule, and ask for days off. Traditionally, this communication system is a simple sheet left on the manager's desk or in the staff room, but there are some problems with this method. There's no privacy since everyone uses the same sheet. It might be days before anyone checks the sheet, missing time-sensitive requests. And the sheet itself is prone to be damaged or lost. That's a hassle for everyone, and it is one area that technology can help. Switching to a digital work schedule and communication system solves all of these problems by keeping information private, instant, and saved in the cloud. In addition to employees being able to communicate with managers in a secure way, managers can also broadcast notes, tips, and messages to employees through the same system, keeping everyone in the loop. Not only is this a time-saver, but it also helps foster a sense of community within the workplace. Communication is key!

ii. **Have a Template**-Old style work schedule methods involved a log book with countless pages of old schedules. Everything was written by hand each week, and the work scheduling could take hours. Even if you'd been doing the same work schedule for months, there was a lot of room for error in the paper method of employee schedule managing, especially when considering request sheets and last-minute call-outs. Once again, technology gets rid of the slowdowns and mistakes. Create an employee schedule template in a modern shift schedule app, and you can instantly copy a previous week's, work schedule, and make



quick changes. Embracing a work schedule app can save tons of time and money, especially if you use a template to cut time off of writing the same schedules over and over. The right app will combine your work schedule template and your communication system mentioned in the first tip, making changes even faster and more efficient.

### **iii. Streamline your Backup List and Offer Open Shifts on the Shift Schedule –**

We mentioned above that having a backup plan in place will help in the case of call-outs and last-minute staffing issues. Once again, technology can be the star here! A work scheduling app that offers staff communication options can also show gaps in the shift schedule and offer those spots to willing employees.

### **iv. Choose a Work Schedule Solution That's Low-Cost and Simple to Use –**

Anything that can save time and reduce stress when handling an employee schedule is good, right? Wrong! If your work scheduling solution costs the company too much money, what you've saved in stress and streamlined processes have just gone down the drain. Your work scheduling solution should be cost-effective to help increase your savings as well as smooth the shift schedule creation. In addition to the saved money and stress, you need an employee schedule solution that provides simple to use controls and a familiar platform so employees can start using it in minutes.

#### **• Find an All-In-One Solution for Shift Schedule Issues**

We're sure by now you can see that embracing technology is your best bet for saving time and money and reducing stress when it comes to shift schedule solutions. Employee schedule issues can be eliminated or reduced, and labor costs can be lowered. Zip Schedules is an all-in-one employee schedule solution to every problem listed here, and it has even more features than we've covered, all with a free trial period and very low monthly costs with no restrictive or binding contracts.

#### **• How Flexible Work Benefits Companies and Employees**

Flexible work is no longer something for only gig workers or freelancers—many “traditional” employers are offering flexible schedules to their employees as well. As an employer, you



might be hesitant to offer flexible scheduling to your staff. After all, aren't they the only ones who benefit?

- **What Is Workplace Flexibility?**

The easiest way to define workplace flexibility is to think of it as an agreement between employer and employee. The agreement usually consists of three components. Employees can:

- ✓ Choose where they work from
- ✓ Create a work schedule that works best for them
- ✓ Schedule their work day however they want

As an employer, you may think that this sounds like a freelancer schedule. And, freelancing is, indeed, one category of flexible work. However, flexible work can also include:

- ✓ Part-time work
- ✓ Fully remote teams
- ✓ Work-from-anywhere arrangements
- ✓ Compressed work weeks (working 40 hours over four days instead of five)
- ✓ Alternative schedule jobs (working second or third shift)
- ✓ Temporary work
- ✓ Seasonal jobs
- ✓ Gig work

- **What Are the Benefits of Flexible Work for Companies?**

To be clear, the above components of workplace flexibility aren't as straightforward as they might seem. The reality is that even in the most flexible workplace, employers may still have to impose some restrictions on flexible work. That said, there are five ways employers benefit from allowing flexible work schedules for their staff.

- ✓ Improves Retention
- ✓ Attracts Top Talent
- ✓ Improves Diversity
- ✓ Increases Productivity
- ✓ Improves Employee Engagement
- ✓ Provides a Cost-Efficient and Eco-Friendly Choice



Self-check-6	Written test
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**Instruction: Follow the below selected instruction**

**Multiple choices.**

N°	Questions
1	Decrease Retention is one of the benefits of allowing flexible work schedules for their staff. A. True
2	flexible work includes: A. Decreases Retention B. Attracts Top Talent C. Improves Diversity D. B and C

**Note: the satisfactory rating is as followed**

Satisfactory	2 points
Unsatisfactory	Below 2 points



Information Sheet-7	Communicating and recording Proposed changes
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## 7.1 Communicating and recording proposed changes

- **Record keeping for business**

Good record keeping can help you protect your business, measure your performance and maximize profits. Records are the source documents, both physical and electronic, that specify transaction dates and amounts, legal agreements, and private customer and business details. Developing a system to log, store and dispose of records can benefit your business by allowing you to:

- ✓ plan and work more efficiently
- ✓ meet legal and tax requirements
- ✓ measure profit and performance
- ✓ generate meaningful reports
- ✓ protect your rights
- ✓ manage potential risks.

Most businesses use an electronic record keeping system to make it easier to capture information, generate reports, and meet tax and legal reporting requirements. If you are unsure whether to keep certain records, retain them and seek advice from your accountant or financial adviser. This guide provides advice about basic record keeping.

- **Basic record keeping requirements**

Setting up the right record keeping system for your business will help you work efficiently, meet legal requirements and strengthen customer and staff relationships. There are certain record keeping requirements for businesses in Queensland, and there may be specific laws and requirements related to your industry sector. It's a good idea to protect yourself by seeking expert advice before setting up a record keeping system for your business. Laws that apply to your business will determine how long you need to keep records for.



- **Basic records**

To meet basic legal requirements, you must keep the following:

- ✓ a cash book or financial accounting program — that records cash receipts and cash payments
- ✓ bank accounts — cheque books, deposit books and bank statements
- ✓ **employment records** — hours of work, overtime, remuneration or other benefits, leave, superannuation benefits, termination of employment, type of employment, personal details of workers, employee personal contact and employment details
- ✓ **occupational training records** — for both you and employees to comply with work, health and safety laws including evacuation and emergency training attendance
- ✓ **sales records** — invoice books, receipt books, cash register tapes, credit card documentation, credit notes for goods returned and a record of goods used by the business owner personally
- ✓ **proof of purchases** — cheque books (larger purchases), petty cash system (smaller cash purchases), receipts, credit card statements, invoices, any other documents relating to purchases including copies of agreements or leases
- ✓ **work, health and safety (WHS) records** — workplace incidents, risk register and management plan, names of key WHS people (e.g. WHS representative, Trained Safety Advisor (TSA), first aid attendant), chemical storage records, first aid incident register, workplace assessments, Material Safety Data Sheets (MSDS). It is a good idea to keep personal and business records separate, to simplify business reporting and tax returns. For example, using a dedicated business credit and debit card for business expenses will make it easy to separate business and personal expenses.

- **End of financial year records**

To meet legal requirements, maximize your tax return or minimize your tax bill at the end of the financial year, keep the following records:

- ✓ details of stock on hand — at the beginning and end of the financial year
- ✓ a list of debtors and creditors — for the entire financial year
- ✓ capital gains details — records of asset purchase dates and agreements, records of sale, disposal and proceeds received, details of commissions paid or legal expenses,



improvements made to an asset and any other records relevant to how you calculate your capital gain or capital loss

- ✓ depreciation details — original purchase agreements or tax invoices, a depreciation schedule, the cost of transporting the items to your business (if applicable), installation costs (if applicable)
- ✓ expense records — check books, receipts, cash register tapes, copies of statements and invoices, credit card documentation, details of payments by cash and log books
- ✓ staff and wages details — full details of wages, employment contracts, tax deducted, fringe benefits, superannuation, sick pay, holiday pay
- ✓ basic accounting records — stock records, accounts receivable, accounts payable, other records
- ✓ agreements — sales and purchase contracts, loan agreements, rental agreements, lease agreements, franchise agreements, sale and lease back agreements, trading agreements with suppliers, legal documentation
- ✓ Other documents — deposits with utilities, contracts with phone companies, your business name registration certificate, capital gains records.

- **Best practice and record keeping**

Depending on your industry, keeping the following records may be a legal requirement, but it is best practice to keep them for 5-7 years:

- ✓ employee accreditation certificates and licenses — copies of permits, registrations and licenses employees need to do their jobs
- ✓ employee resumes and job applications
- ✓ **performance reviews** — including assessments of staff performance and agreements between you and your employees
- ✓ **position statements and job advertisements**
- ✓ **customer records** — personal details, products purchased and product enquiries that are useful for finding new customers
- ✓ **customer complaints** — details of complaints about products, service, staff or anything else, and steps taken to resolve them





- ✓ details of any disputes with other businesses — including how you went about resolving disputes
- ✓ quotes given and won — specifics of jobs and time spent on them to help with future quoting
- ✓ details of advertising campaigns and success — to make it easier to repeat advertisements and plan future advertising campaigns
- ✓ Insurance policies — regularly review and update your business insurance, especially when your business grows or changes.

- **Electronic and manual record keeping**

While some business owners prefer manual record keeping systems, most businesses use an electronic record keeping system — making it easier to capture information, generate reports and meet tax and legal reporting requirements. There are a number of issues you should consider when setting up an electronic or manual record keeping system, as each has certain advantages and limitations.

- **Electronic record keeping**

Most businesses use accounting software programs to simplify electronic record keeping, and produce meaningful reports. There are many other advantages to using electronic record keeping, as listed below.

- **Advantages**

- ✓ Helps you record business transactions, including income and expenses, payments to workers, and stock and asset details.
- ✓ Efficient way to keep financial records and requires less storage space.
- ✓ Provides the option of recording a sale when you raise an invoice, not when you receive a cash payment from a client.
- ✓ Easy to generate orders, invoices, debtor reports, financial statements, employee pay records, inventory reports.
- ✓ Automatically tallies amounts and provides reporting functions.
- ✓ Keeps up with the latest tax rates, tax laws and rulings.





- ✓ Many accounting programs have facilities to email invoices to clients, orders to suppliers, or BAS returns to the Australian Taxation Office.
- ✓ Allows you to back up records and keep them in a safe place in case of fire or theft.

- **Choosing accounting software**

Your business may require more than one software program to meet all of your tax and legal needs, so it's important to:

- ✓ seek advice from your accountant or financial adviser before purchasing software for record keeping
- ✓ Check which accounting software is tax compliant on the Australian Taxation Office website.

- **Electronic backup**

Set up a secure electronic backup system to ensure records are safely stored and regularly backed up. Daily backups are recommended, particularly for important records. Make sure the backup copies are stored in a separate location to your business in case of fire, theft or a natural disaster. For small businesses, the cheapest backup options are CDs and memory sticks. If your business has large amounts of data, external hard drives are a popular backup option.

- **Cloud backup**

Cloud computing provides a way for your business to manage your computing resources and records online. The term has evolved over recent years, and can be used to describe the use of a third party for your storage and computing needs.

Cloud backup services are becoming more popular and can be automated for your convenience, but you should make sure the method you choose protects the privacy and security of your business and customers.

- **Manual record keeping**

Some business owners may want to use a simple, paper-based record keeping system. There are certain advantages to using manual record keeping, as listed below.

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### ✓ **Advantages**

- Less expensive to set up.
- Correcting entries may be easier with manual systems, as opposed to computerized ones that can leave complicated audit trails.
- The risk of corrupted data is much less.
- Data loss is less of a risk, particularly if records are stored in a fire-proof environment.
- Problems with duplicate copies of the same records are generally avoided.
- The process is simplified as you don't need to be familiar with how accounting software calculates and treats your information.

### • **Streamline your manual record keeping**

- ✓ Sort and store all paperwork, receipts and payments in 12 separate months.
- ✓ Keep all original documents and date all correspondence.
- ✓ Record all transaction dates and payment amounts.
- ✓ Save all online financial transactions by month and financial year in your inbox and in a separate folder on your hard drive.
- ✓ Backup all electronic records on an external hard drive or other storage device other than your computer's internal hard drive.
- ✓ Capture nearly all of your income and expenses in statements from both your bank and credit card accounts.
- ✓ Request that all statements and bills be sent on a monthly basis — allowing you to reconcile all financial records each month.

### • **How to communicate change in the workplace in 8 steps**

These best practices for how to communicate change in the workplace will set you on the path to seamless transitions.

#### **i. be clear and honest when communicating change to employees**

Any sort of spin, sugarcoating or jargon will look like an effort to hide something. You'll gain employees' trust if you use simple, straightforward language, and are completely upfront about

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what's changing and why. Don't talk down to employees — this only makes them feel resentful and unvalued. Some companies make the mistake of believing their employees “can't handle the truth,” but people respond well to respectful and honest communication. Employees at merged companies understand why changes are being made less than those at non-merged companies. In the shuffle, it's too easy to forget that employees need the basics: what and why.

## **ii. Use care when communicating organizational change**

It's not just public events that create unease: HR changes often strike a personal chord with employees. Suddenly the company is monkeying with their healthcare, and maybe that affects their sick child. Or a company might be implementing an outcomes-based wellness program, forcing employees to make lifestyle changes rather than inspiring them to focus on what matters most to them. Take these concerns into consideration when deciding how to communicate change in the workplace — and outright acknowledge them too. Sometimes people just need to feel heard — in times when trust is damaged, empathy and understanding are the first steps to rebuilding.

## **iii. Tell employees what's in it for them**

It's the age-old marketing credo: What's in it for me? We're all looking out for #1, so hyping “good corporate citizenship” as a reason for change is a waste of time. Explain the benefits of the change and what employees can expect. Yes, things will be different. Acknowledge that. Yes, everyone may not like what's changing. Acknowledge that too. But there's generally an upside, so outline that as well. If there's no upside, then say so. Admit that what's happening well, sucks, and talk about what you'll do to make the change as smooth as possible. Then thank employees for their patience, cooperation and for sticking with you through the shift.

## **iv. Set expectations with change management communication**

Employees feel reassured and are quicker to get on board when you paint a clear picture of exactly what's going to happen and when. If you have to use a step-by-step list, do it. If your employees respond well to graphics, use them. Just make sure to set expectations by explaining the process so people can clearly see the road ahead.



#### **v. Tell employees what they need to do**

The term “call to action” gets tossed around so much for good reason. It’s critical to outlining what needs to be done and when. This is what people are looking for at the end of a communication, so use bulleted lists, bold font, links to websites, etc. to highlight the necessary action. Even if there isn’t an essential next step for your employees, create one. Make sure everyone feels involved and they’ll join you through the change or transition.

#### **vi. Cascade leadership messages on change**

Change communications are generally best delivered from the top. Develop a cascading messaging strategy that starts with your CEO or a senior VP, and then encourage directors and managers to discuss the change in more detail with their teams. Make sure to use a variety of media: email, all-hands meetings, company communications apps, home mailings (especially if family members are affected) and an FAQ for nitty-gritty details. And also remember to engage in direct conversations — create opportunities for employees to privately deliver messages or ask questions. Make it a topic in manager one-on-ones. Just make sure people feel like they can ask tough, personal questions.

#### **vii. Target your change management communication**

Give careful thought to whether specific audiences are more affected by the change. For example, with healthcare changes, you may want to develop communications specific to families or those with chronic conditions. When change is isolated within a department or facility, communicate it widely, but show employees closer to the change that you’re invested in their employee experience. This kind of targeting ensures you’re not overwhelming the entire organization with support only a select group truly needs.

#### **viii. Create two-way strategies for communicating change**

Remember what we said above — about employees needing to feel heard? Create two-way communication channels where they can ask questions, express their concerns and get answers. A dedicated email alias is a great start, but a town hall (or series) goes one step further. It’s more personal and — if it you execute it right — feels like “we’re all in this together.” Allow employees to ask questions and address all of them clearly and honestly. If



you take away nothing else from this post, remember those two words for how to communicate change in the workplace. Speaking clearly and honestly is key to communicating with employees at any time, but especially during uncertain — and sometimes unsettling — times of change.



<b>Self-check-7</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

**Multiple Choices.**

<b>N°</b>	<b>Questions</b>
<b>1</b>	<p>Which one of the following is not advantage of using manual record keeping</p> <p>A. Expensive to set up.</p> <p>B. The risk of corrupted data is much less.</p> <p>C. Data loss is less of a risk, particularly if records are stored in a fire-proof environment.</p> <p>D. Problems with duplicate copies of the same records are generally avoided.</p>
<b>2</b>	<p>Which one of the following is advantage of using electronic record keeping</p> <p>A. Automatically tallies amounts and provides reporting functions.</p> <p>B. Keeps up with the latest tax rates, tax laws and rulings.</p> <p>C. Efficient way to keep financial records and requires less storage space.</p> <p>D. All</p>

**Note: the satisfactory rating is as followed**

Satisfactory	2points
Unsatisfactory	Below 2 points



## **8.1 Using relevant codes of practice**

- **What Is A Code Of Conduct?**

A code of conduct is a set of rules around behavior for the employees to follow within an organization. The code acts as a standard that staff need to meet so that they can know what is expected of them to produce a generally more efficient business.

Often mixed up with a code of ethics, the code of conduct refers specifically to behavior, whilst the ethics provides guidance on the decision-making skills that your employees need when they are working.

- **Why is a code of conduct important?**

A code of conduct serves not only as a set of internal guidelines for the employees to follow, but also as an external statement of corporate values and commitments.

A code of conduct can:

- ✓ Define the company culture
- ✓ Set standards and expectations for employees to follow when it comes to their behavior
- ✓ Let customers and partners know your values, and from there they can work out if they want to work with you – creating a level of transparency for a healthy business relationship

- **What should be included in a code of conduct?**

Every code of conduct has to reflect the business it represents. This is because it reflects the daily operations of the company, their core values and the general company culture. This need for it to be tailored to the business means that there isn't one set code of conduct that every company can use. However, there are certain characteristics that all companies should include:

- ✓ Written for the reader: It's easy to understand and includes an explanation of any technical/legal jargon.



- ✓ Comprehensive: It covers all areas that impact the daily lives of employees and answers any questions that they may have.
- ✓ Supported by leadership: It has the backing of the senior management team. You can usually show this by including a foreword from the CEO or President.
- ✓ Accessible: It is available to all employees and investors.
- ✓ The code sums up what you should and shouldn't be doing at work. This could include explaining to employees that they shouldn't:
- ✓ Take shortcuts to get the job done quicker, as they could cause adverse side-effects as a result
- ✓ Discriminate against people within the business. This could be due to their race, gender, social class or religion and is known as workplace discrimination
- ✓ Use business resources for personal use
- ✓ There isn't someone breathing down your neck telling you to have a code of conduct, but there are definite benefits of having a concrete set of rules in place. Larger businesses typically have them to create consistency and stability within their bigger groups of employees, but small companies tend to go about their business without a formal code in place.
- ✓ Having a code of conduct in place creates a good practice for several reasons:
- ✓ It helps define the company culture quickly
- ✓ It sets standards and expectations for employees to follow when it comes to their behavior
- ✓ It lets customers and partners know your values, and from there they can work out if they want to work with you – creating a level of transparency for a healthy business relationship

- **The Need for a Code of Conduct**

Employers might want to believe that their staff know what's right and wrong, but by having a code of conduct you can spell out whether specific behavior or action is acceptable or not, making everyone's lives a bit easier. Having rules to follow gives employees a structure from day one, making the whole process much more black and white if trouble is caused. There should be no ambiguity about a policy because this can lead to rules being bent, contradicting





the whole point of the code in the first place. As well as setting out the rules, a code of conduct also explains what employees need to do if they ever need to report a violation of company policy, as well as showing staff what the consequences are of using false information in an attempt to conceal violation.



<b>Self-check-8</b>	<b>Written test</b>
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**Instruction: Follow the below selected instruction**

The following are multiple choices.

Say true if the statement is true and false if the statement is False

<b>N°</b>	<b>Questions and answers</b>
<b>1</b>	A code of conduct is a set of rules around behavior for the employees to follow within an organization.
<b>2</b>	Having a code of conduct in place sets standards and expectations for employees to follow when it comes to their behavior.
<b>3</b>	Having a code of conduct in place creates a difficult practice for several reasons.

**Note: the satisfactory rating is as followed**

Satisfactory	2 and Above 2points
Unsatisfactory	Below2points



## List of Reference

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