



# **Solar PV System Installation and Maintenance**

## **NTQF LEVEL -III**

# **Learning Guide -69**

<b>Unit of competence:</b>	<b>Improve business practice</b>
<b>Module Title:</b>	<b>Improving business practice</b>
<b>LG Code:</b>	<b>EIS PIM3 M17 LO1 LG-69</b>
<b>TTLM Code:</b>	<b>EIS PIM3 TTLM 0920V1</b>

## **LO1: Diagnose the business**

**Instruction Sheet 1****Learning Guide 69**

This learning guide is developed to provide you the necessary information regarding the following content coverage and topics –

- Identifying Sources data
- Determining and acquiring data for diagnosis
- Conducting Value chain analysis
- SWOT analysis of the data
- Competitive advantage of the business

This guide will also assist you to attain the learning outcome stated in the Solar PV System Installation and Maintenance. Specifically, upon completion of this Learning Guide, you will be able to –

- Identify Sources data of
- Determine and acquiring data for diagnosis.
- Conduct Value chain analysis.
- Undertake SWOT analysis of the data.
- Determine Competitive advantage of the business.

**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
5. If you earned a satisfactory evaluation from the “Self-checks” proceed to “Operation Sheets,
6. Do the “LAP test



## Information sheet 1

## Identifying Sources data

### 1.1 Identifying source of data

Data source may include primary data or secondary data sources.

**1.1.1. Primary sources:** - Primary information is information in a raw form that has not been interpreted by others. It is often information that you gather personally. It may consist of survey responses, interview notes, original journals or diaries, raw statistics which you interpret, the results of experiments you carry out, photographs, charts or maps etc.

**1.1.2. Secondary sources:** - A secondary source refers to information that has been processed and interpreted in some way by a third party before you use it. This may include: past reports and projects, information from industry associations or groups, books including reference books such as encyclopedias, atlases, yearbooks, audiovisual and graphic media – videotapes, audio tapes CD's, DVD's , etc, journals and periodicals, newspapers, pamphlets produced by manufacturers etc.

Data can also categorized as: quantitative and qualitative..

- **Quantitative data** is numerical and can be counted, quantified, and mathematically analyzed (e.g., GPAs, standardized test scores, attendance patterns). Quantitative data is often considered a highly reliable source of information.
- **Qualitative data** is usually non-numerical and used to provide meaning and understanding. Student narratives describing their reasons for participating in your program each month are examples of qualitative data. Qualitative data is believed to have great validity and depth.



Many evaluators will collect and use both types of data to present a reliable and valid picture of their results by providing statistically reliable numerical results and validating their meaning using qualitative data. Data required to diagnoses the business in PV system are:-

- organization capability
- appropriate business structure
- level of client service which can be provided
- internal policies, procedures and practices
- market and market definition
- market changes/market segmentation
- break even data
- business environment
- social factors
- demographic factors
- technological impacts
- competitors, competitor pricing and response to pricing
- competitor marketing/branding competitor products



Self-check 1	Written Test
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Quantitative data is usually non-numerical and used to provide meaning and understanding
2. Qualitative data is numerical and can be counted, quantified, and mathematically analyzed
3. Change of market and economic condition are un external threats.

**Note:** Satisfactory rating – 2 and above points

**Unsatisfactory - below 2 points**

**Answer Sheet**

**Score=**\_\_\_\_\_

**Rating:**\_\_\_\_\_



<b>Information sheet - 2</b>	<b>Determining and acquiring data for diagnosis</b>
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## 2.1 Determining and acquiring data for diagnosis

Data required for diagnosis is includes:

- organization capability
- appropriate business structure
- level of client service which can be provided
- internal policies, procedures and practices
- staff levels, capabilities and structure
- market, market definition
- market changes/market segmentation
- market consolidation/fragmentation
- revenue
- level of commercial activity
- expected revenue levels, short and long term
- revenue growth rate
- break even data
- pricing policy
- revenue assumptions
- business environment
- economic conditions
- social factors
- demographic factors
- technological impacts
- political/legislative/regulative impacts
- competitors, competitor pricing and response to pricing
- competitor marketing/branding
- competitor products



Over the years, we have met a lot of entrepreneurs which have been frustrated by low profits, lack of growth, or the stress of the never-ending demands. Many struggle with all three. While every business is different, there are common denominators. Some of them are:

- **Marketing**

- ✓ **Targeting** : Do you have a strategy to reach your best potential customers with your sales and marketing efforts?
- ✓ **Advertising and Public Relations** : There are many choices for where to place how to execute a public relations campaign.
- ✓ **The Message** : It was a good line when someone first thought of it.

- **Management**

- ✓ **Hiring** : I can't think of anything more important than hiring the right people. Great hiring is a skill, one that frequently is not the strong suit of the typical entrepreneur. Do you have a hiring process? Hiring by trial and error is a very expensive and painful way to build a staff.
- ✓ **Firing** : This is never a popular subject, and it's especially uncomfortable these days. But it is a harsh reality of business that some people are just not suited for some jobs.
- ✓ **Operations** : Training, standards, support, recognition, systems, key performance indicators, follow-up, etc. Is your company getting the job done? Are customers happy? Do you know how is employee turnover? Are employees happy? Would they tell you if they weren't? Do you have people who tell you the truth?

- **Accounting and Finance**

- ✓ **Basic Accounting** : Many seemingly successful companies have gotten into big trouble by neglecting accounting until it is too late. Accounting is not just about paying taxes. It is about information, insight, and control.
- ✓ **Pricing** : This is probably the sleeper on this list.
- ✓ **Financing**: Most businesses need some kind of financing. Whether it comes from investors, banks, credit unions, factoring or even credit cards, there is a lot to know and understand.



- **Leadership**

Any one of these topics could fill a book, and leadership is no exception. Let me count the ways: vision, direction, inspiration, support. It is similar to management, but they are not the same thing.

## **2.2 Monitoring operating data and presentation**

A comprehensive operating data monitoring system ensures that failures or faults are signaled and quickly detected. This allows the system owner to bring about measures to remedy the fault and to minimize lost payments if the electricity is being sold onto the grid. Although photovoltaic systems generally operate without problems, when faults or breakdowns do occur these may not be detected for several months if no effective operation monitoring system is in place .





Self check 2	Written test
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Most businesses need some kind of financing.
2. organization capability is one of the data required for diagnosis.
3. A comprehensive operating data monitoring system ensures that failures or faults are signaled and quickly detected.

**Note: Satisfactory rating – 2 and above points**

**Unsatisfactory - below 2 points**

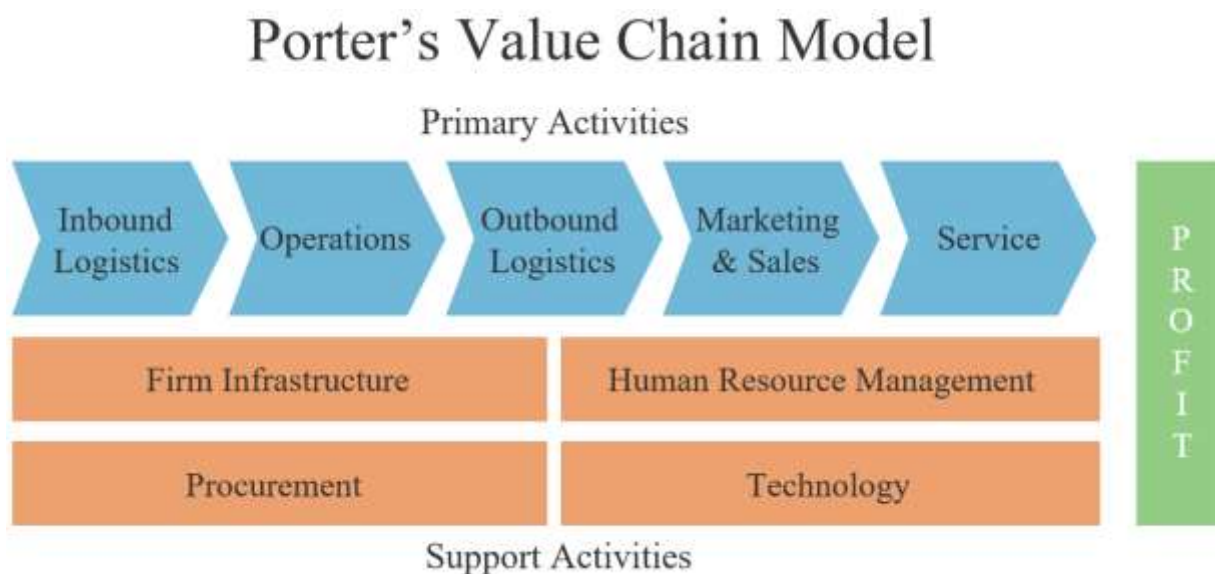
## Answer Sheet

Information sheet - 3	Conducting Value chain analysis
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### 3.1 Conducting Value chain analysis

Value chain analysis (VCA):- is a process where a firm identifies its primary and support activities that add value to its final product and then analyze these activities to reduce costs or increase differentiation.

**3.2 Value chain (VC)** represents the internal activities a firm engages in when transforming inputs into outputs. Value chain analysis is a strategy tool used to analyze internal firm activities. Its goal is to recognize, which activities are the most valuable (i.e. are the source of cost or differentiation advantage) to the firm and which ones could be improved to provide competitive. In other words, by looking into internal activities, the analysis reveals where a firm's competitive advantages or disadvantages are. The firm that competes through differentiation advantage will try to perform its activities better than competitors would do. If it competes through cost advantage, it will try to perform internal activities at lower costs than competitors would do. When a company is capable of producing goods at lower costs than the market price or to provide superior products, it earns profits. M. Porter introduced the generic value chain model in 1985. Value chain represents all the internal activities a firm engages in to produce goods and services. VC is formed of primary activities that add value to the final product directly and support activities that add value indirectly.



**Figure 1 value chain analysis model**



Although, primary activities add value directly to the production process, they are not necessarily more important than support activities. Nowadays, competitive advantage mainly derives from technological improvements or innovations in business models or processes. Firm's VC is a part of a larger industry's VC. The more activities a company undertakes compared to industry's VC, the more vertically integrated it is. Below you can find an industry's value chain and its relation to a firm level VC. There are two different approaches on how to perform the analysis, which depend on what type of competitive advantage a company wants to create (cost or differentiation advantage). The table below lists all the steps needed to achieve cost or differentiation advantage using VCA.



**Table 1 approaches to perform value analysis**

Competitive advantage types	
Cost advantage	Differentiation advantage
<p>This approach is used when organizations try to compete on costs and want to understand the sources of their cost advantage or disadvantage and what factors drive those costs. (good examples: Amazon. com, Wal-Mart, McDonald's, Ford, Toyota)</p>	<p>The firms that strive to create superior products or services use differentiation advantage approach. (good examples: Apple, Google, Samsung Electronics, Starbucks)</p>
<p>Step 1. Identify the firm's primary and support activities.</p> <p>Step 2. Establish the relative importance of each activity in the total cost of the product.</p> <p>Step 3. Identify cost drivers for each activity.</p> <p>Step 4. Identify links between activities.</p> <p>Step 5. Identify opportunities for reducing costs.</p>	<p>Step 1. Identify the customers' value-creating activities.</p> <p>Step 2. Evaluate the differentiation strategies for improving customer value.</p> <p>Step 3. Identify the best sustainable differentiation.</p>



### 3.2.1 Differentiation advantage

VCA is done differently when a firm competes on differentiation rather than costs. This is because the source of differentiation advantage comes from creating superior products, adding more features and satisfying varying customer needs, which results in higher cost structure.

**Step 1. Identify the customers' value-creating activities.** After identifying all value chain activities, managers have to focus on those activities that contribute the most to creating customer value.

**Step 2. Evaluate the differentiation strategies for improving customer value.** Managers can use the following strategies to increase product differentiation and customer value:

- Add more product features;
- Focus on customer service and responsiveness;
- Increase customization;
- Offer complementary products.

**Step 3. Identify the best sustainable differentiation.** Usually, superior differentiation and customer value will be the result of many interrelated activities and strategies used. The best combination of them should be used to pursue sustainable differentiation advantage.



<b>Self test - 3</b>	<b>Written test</b>
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Value chain analysis is a strategy tool used to analyze internal firm activities.
2. VC is not add value to the final product.
3. VCA is done differently when a firm competes on differentiation.
4. Value chain analysis is used to reduce costs or increase differentiation.

**Note: Satisfactory rating – 2 and above points**

**Unsatisfactory - below 2 points**

### **Answer Sheet**

#### **Answer Sheet**

Score = \_\_\_\_\_  
Rating: \_\_\_\_\_

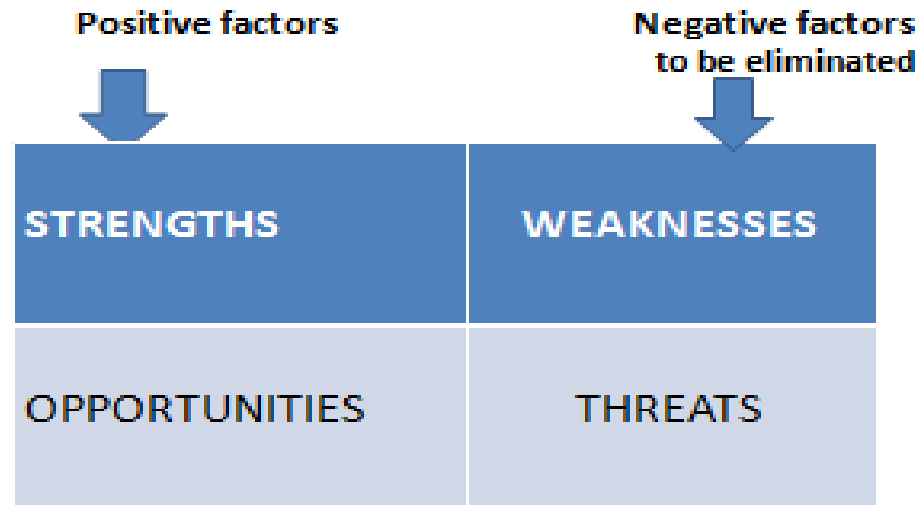


Information sheet - 4	Undertaking SWOT analysis of the data.
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#### 4.1 Undertaking SWOT analysis of the data

SWOT analysis (alternatively SWOT Matrix) is a structured planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in a project or in a business venture. A SWOT analysis can be carried out for a product, place, industry or person. It involves specifying the objective of the business venture or project and identifying the internal and external factors that are favorable and unfavorable to achieving that objective. The technique is credited to Albert Humphrey, who led a convention at the Stanford Research Institute (now SRI International) in the 1960s and 1970s using data from Fortune 500 companies. The degree to which the internal environment of the firm matches with the external environment is expressed by the concept of strategic fit.

A **SWOT** summarizes the key issues from the business environment and the strategic capability of an organization that are most likely to impact on strategy development. This can also be useful as a basis against which to generate strategic options and assess future courses of action. The aim is to identify the extent to which strengths and weaknesses are relevant to, or capable of dealing with, the changes taking place in the business environment. However, in the context of this chapter, if the strategic capability of an organization is to be understood, it must be remembered it is not absolute but relative to its competitors. So SWOT analysis is really only useful if it is comparative – if it examines strengths, weaknesses, opportunities and threats in relation to competitors. A SWOT analysis should help focus discussion on future choices and the extent to which an organization is capable of supporting these strategies. Setting the objective should be done after the SWOT analysis has been performed. This would allow achievable goals or objectives to be set for the organization. The data required to diagnose the business must be passed through SWOT analysis.



**Fig.2 Components of SWOT Analysis**

- internal **strengths** such as staff capability, recognized quality
- internal **weaknesses** such as poor morale, under-capitalization, poor technology
- external **opportunities** such as changing market and economic conditions
- external **threats** such as industry fee structures, strategic alliances, competitor marketing

Identification of SWOTs is important because they can inform later steps in planning to achieve the objective. First, the decision makers should consider whether the objective is attainable, given the SWOTs. If the objective is not attainable a different objective must be selected and the process repeated. Users of SWOT analysis need to ask and answer questions that generate meaningful information for each category (strengths, weaknesses, opportunities, and threats) to make the analysis useful and find their competitive advantage.

The first step of your SWOT analysis is to make a list of what you consider to be all the relevant attributes of your business. This will bring you to a level of detail that you may not yet have considered. The attributes would include:

- What specific products or services will you provide?
- To whom will you provide these products or services?
- Where will you be located?
- What geographic area will you serve?
- How will you price your products or services?
- What will be your hours of operation?





- What will be your credit policy?
- How will you promote your product or service?
- What types of guarantees or assurances will you offer?
- What type of follow-up service will you provide?



<b>Self check - 4</b>	<b>Written test</b>
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**Directions:** Matching questions

**A**

- .....1 strengths
- .....2. weaknesses
- .....3. threats
- .....4. opportunities

**B**

- A. strategic alliances
- B. recognized quality
- C. poor technology
- D. economic conditions

**Note: Satisfactory rating – 2 and above points**

**Unsatisfactory - below 2 points**

**Answer Sheet**

Score = \_\_\_\_\_  
Rating: \_\_\_\_\_



Information sheet - 5	Determining Competitive advantage of the business
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### 5.1 .Determining Competitive advantage of the business

**Competitive advantage**— An advantage over competitors gained by offering consumers greater value, either through lower prices or by providing more benefits that justify higher prices. Proposing that a company's sustained competitive advantage is primarily determined by its resource endowments; Grant proposes a five-step, resource-based approach to strategy analysis.

- Identify and classify the firm's resources in terms of strengths and weaknesses.
- Combine the firm's strengths into specific capabilities and core competencies.
- Appraise the profit potential of these capabilities and competencies in terms of their potential for sustainable competitive advantage and the ability to harvest the profits resulting from their use. Are there any distinctive competencies?
- Select the strategy that best exploits the firm's capabilities and competencies relative to external opportunities.
- Identify resource gaps and invest in upgrading weaknesses.

Where do these competencies come from? A corporation can gain access to a distinctive competency in four ways:

- It may be an asset endowment, such as a key patent, coming from the founding of the company..
- It may be acquired from someone else. For example, Whirlpool bought a worldwide distribution system when it purchased Philips's appliance division.
- It may be shared with another business unit or alliance partner.
- It may be carefully built and accumulated over time within the company.

The desire to build or upgrade a core competency is one reason entrepreneurial and other fast-growing firms often tend to locate close to their competitors. They form clusters—geographic concentrations of interconnected companies and industries.

Competitor analysis in marketing and strategic management is an assessment of the strengths and weaknesses of current and potential competitors. This analysis provides both an offensive



and defensive strategic context to identify opportunities and threats. A well thought-out and logically presented competitive analysis is a critical component of your business plan. The goal is to show that you have a thorough knowledge of where and who your competitors are, and of their relative strengths and weaknesses. **How you differentiate your business from the competition will be the key to its success?** Once you have accomplished this, you will be able to carve out a market niche for your business and estimate its size. The Competition section of your business plan should include the following:

- **Where Is Your Competition?**

The best way to define your service area, in unambiguous terms, is literally to take a map and plot the area where you plan to concentrate your business. This process will define your customer base, help identify competition, and be an important factor in the development of your promotional strategy.

- **Who Is Your Competition?**

Next, take a closer look at the needs of your customers within your defined area. Revisit the basic description of your business at the beginning of your plan. Make sure you have identified all of the tangible and intangible characteristics that go into a comprehensive explanation of the customer needs your business expects to satisfy. You may find that you now need to add or delete some items.

Once you are focused on customer needs, you can begin the process of identifying your real competition. Put yourself in the position of a potential customer who is searching to satisfy a need.

## **5.2 Identifying Your Niche (position)**

Once you have identified your competition, you should undertake an organized SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis—a detailed written profile of each competitor according to these categories. Remember, you are looking for your special niche in the market. The goal now is to identify competitive gaps and weaknesses and then modify your products or services to exploit them.



**The basis of competition and key success factors are:**

- Price
- Technology
- Delivery Time
- .Quality
- Reputation
- Location



<b>Self-check - 5</b>	<b>Written test</b>
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Competitive analysis is a critical component of your business plan..
2. Competition is key element to your business success.
3. Identify competitive gaps and weaknesses are used to modify your products or services.

**Note: Satisfactory rating – 2 and above points**

**Unsatisfactory - below 2 points**



Operation Sheet-1	Procedures for under taking SWOT analysis
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## Techniques for-SWOT analysis

**Step 1.**Analyze the external environment

**Step 2.**Analyze the industry and competition

**Step 3.** Identify the external opportunities and threats

**Step 4.**Analyze the internal environment and identify the internal strengths and weaknesses

**Step 5.**Assess the attractiveness of the organization's situations and draw conclusions regarding the need for strategic action



LAP Test 1	Practical Demonstration
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Name: \_\_\_\_\_ Date: \_\_\_\_\_

Time started: \_\_\_\_\_ Time finished: \_\_\_\_\_

**Instructions: Given** necessary templates, tools and materials you are required to perform the following tasks within 2 hours.

**Task 1.** Perform SWOT analysis for specific business you have





## List of reference materials

1. [https://www.ibm.com/support/knowledgecenter/SSPT3X\\_3.0.0/com.ibm.swg.im.infosphere.biginights.import.doc/doc/identifying\\_data.html](https://www.ibm.com/support/knowledgecenter/SSPT3X_3.0.0/com.ibm.swg.im.infosphere.biginights.import.doc/doc/identifying_data.html)
2. <http://toolkit.pellinstitute.org/evaluation-guide/collect-data/identify-types-sources/>
3. <https://www.strategicmanagementinsight.com/tools/value-chain-analysis.html>
4. Association of Small Business Development Centers For Information: January 1998
5. Compile and produce an electrotechnology report UEENEEE024B
6. Planning and Installing, Photovoltaic Systems A guide for installers, architects and engineers, second edition



# **Solar PV System Installation and Maintenance**

## **NTQF LEVEL -III**

# **LEARNING GUIDE -70**

<b>UNIT OF COMPETENCE:</b>	<b>IMPROVE BUSINESS PRACTICE</b>
<b>MODULE TITLE:</b>	<b>IMPROVING BUSINESS PRACTICE</b>
<b>LG CODE:</b>	<b>EIS PIM3 M17 LO2 LG-70</b>
<b>TTLM CODE:</b>	<b>EIS PIM3 TTLM 0920V1</b>

## **L02: Benchmark the business**



Instruction Sheet	Learning Guide -70
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This learning guide is developed to provide you the necessary information regarding the following content coverage and topics –

- Sources of relevant benchmarking data
- Key indicators for benchmarking
- Identifying areas of improvements

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 –

- Sources of relevant benchmarking data.
- Select Key indicators for benchmarking.
- Compare key indicators of own practice with benchmark indicators.
- Identify areas of improvements.

#### **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
5. If you earned a satisfactory evaluation from the “Self-checks” proceed to “Operation Sheets,
6. Do the “LAP test



<b>Information sheet - 1</b>	<b>Sources of relevant benchmarking data</b>
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### 1.1. Sources of relevant benchmarking data

Benchmarks are fixed pieces of information that can be used to make comparisons with other similar fixed pieces of information. Labor benchmarks are not only used as a one-off activity for work force restructuring but also as a tool for continuously monitoring and improving performance and competitiveness. In practice it is the process of undertaking benchmarking that generates most benefits because it challenges current norms. Benchmarks provide managers with comparative data on performance and labor productivity. Although like-for-like comparisons are not always easy, benchmark measures can give the implementing agency crude indicators of the scale of any overstaffing.

### 1.2. What is a benchmark?

Benchmarking is the process through which a company measures its products, services, and practices against its toughest competitors, or those companies recognized as leaders in its industry. Benchmarking is one of a manager's best tools for determining whether the company is performing particular functions and activities efficiently, whether its costs are in line with those of competitors, and whether its internal activities and business processes need improvement. The idea behind benchmarking is to measure internal processes against an external standard. It is a way of learning which companies are best at performing certain activities and functions and then imitating—or better still, improving on—their techniques. When you compare your performance or processes with other entities including competitors, other companies or industry best practices, it's called benchmarking. Therefore, a benchmark is a reference point that allows you to compare your own levels of performance with the performance levels of others. Although you can benchmark any business approach, product or process, it's commonly deployed to compare:

- customer satisfaction,
- costs,
- quality and
- how much time things take to complete.

Benchmarks are used for the performance evolution of the processors. There are different types of benchmarks available. Among all **internal benchmarks**, **Sector benchmarks**, and



**Functional (process) benchmarks** are most important and popular benchmarks for performance evolution.

- **Internal benchmarks**—By making comparisons within an organization, perhaps between different offices or time periods; it may be possible to identify some areas for improvement quickly and easily.
- **Sector benchmarks**—Comparisons in the same sector provide another comparison. International or regional comparisons can be used where the PPI enterprise is a monopoly provider in the country.
- **Functional (process) benchmarks**—There may be other organizations from different sectors but with similar operational functions that can be compared. For example, gas, water, and power utilities might cooperate in benchmarking their metering or billing collection procedures; airlines and railways are similar in the ways they manage the turnaround and dispatch of aircraft or trains; administrative processes, customer service response times, and staff appraisal performance will have similarities in all organizations. All three types of benchmarks have their places, but a combination of measurement and process analysis is important for effective benchmarking. Measurement identifies the performance gap, but the discussion, debate, and working through of process and operating changes provide the mechanism for operational managers to identify change—including identification of the extent, location, and causes of overstaffing. To understand the origins of labor productivity, implementing agencies will want to review a range of generic benchmarks as well as those specific to the sector such as:
  - Number of employees per thousand connections (telephones or water)
  - Number of employees per generated megawatt (MW) (for power generation)
  - Number of employees per ton of freight.



<b>Self check - 1</b>	<b>True/false</b>
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Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Directions:** Write TRUE if the statement is correct and write FALSE if the statement is wrong.

1. Benchmark is a reference point that allows you to compare your own levels of performance with the performance levels of others.
2. Internal benchmarks –Comparisons in the same sector provide another comparison.
3. Benchmarks provide managers with comparative data on performance and labor productivity.

**Note:** Satisfactory rating – 2 and above points , Unsatisfactory - below 2 points

### Answer Sheet

**Score =** \_\_\_\_\_

**Rating:** \_\_\_\_\_



## **2.1 Selecting Key indicators for benchmarking.**

Benchmarking can be internal (comparing performance between different groups or teams within an organization) or external (comparing performance with companies in a specific industry or across industries). Within these broader categories, there are three specific types of benchmarking:

- A. Process benchmarking,
- B. Performance benchmarking and
- C. strategic benchmarking.

These can be further detailed as follows:

- A. Process benchmarking** - the initiating firm focuses its observation and investigation of business processes with a goal of identifying and observing the best practices from one or more benchmark firms. Activity analysis will be required where the objective is to benchmark cost and efficiency; increasingly applied to back-office processes where outsourcing may be a consideration. Benchmarking is appropriate in nearly every case where process redesign or improvement is to be undertaken so long as the cost of the study does not exceed the expected benefit.
- **Financial benchmarking** - performing a financial analysis and comparing the results in an effort to assess your overall competitiveness and productivity.
- **Benchmarking from an investor perspective**- extending the benchmarking universe to also compare to peer companies that can be considered alternative investment opportunities from the perspective of an investor.
- **Benchmarking in the public sector** - functions as a tool for improvement and innovation in public administration, where state organizations invest efforts and resources to achieve quality, efficiency and effectiveness of the services they provide.<sup>[7]</sup>



**B. Performance benchmarking** - allows the initiator firm to assess their competitive position by comparing products and services with those of target firms.

- **Product benchmarking** - the process of designing new products or upgrades to current ones. This process can sometimes involve reverse engineering which is taking apart competitors products to find strengths and weaknesses.

**C. Strategic benchmarking** - involves observing how others compete. This type is usually not industry specific, meaning it is best to look at other industries.

- **Functional benchmarking** - a company will focus its benchmarking on a single function to improve the operation of that particular function. Complex functions such as Human Resources, Finance and Accounting and Information and Communication Technology are unlikely to be directly comparable in cost and efficiency terms and may need to be disaggregated into processes to make valid comparison.
- **Best-in-class benchmarking** - involves studying the leading competitor or the company that best carries out a specific function.<sup>[8]</sup>
  - ✓ **Operational benchmarking** embraces everything from staffing and productivity to office flow and analysis of procedures performed.<sup>[9]</sup>
  - ✓ **Energy benchmarking** - process of collecting, analyzing and relating energy performance data of comparable activities with the purpose of evaluating and comparing performance between or within entities. Entities can include processes, buildings or companies. Benchmarking may be internal between entities within a single organization, or - subject to confidentiality restrictions - external between competing entities

## 2.2 Benchmarking in practice

Benchmarking data is often available for purchase, but many companies also design their own project to acquire the data. For those that do, they must define the subject, process and measurements they want to benchmark. Then, they must collect data on the benchmark and the corresponding data from their own organization. The data sets must be compared and analyzed to identify differences. Once there is a clear understanding of what the differences are, an improvement plan can be crafted and communicated.





Self check 2	True/false
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Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Directions:** Write TRUE if the statement is correct and write FALSE if the statement is wrong.

1. Benchmarking in the public sector - functions as a tool for improvement and innovation.
2. Performance benchmarking - allows the initiator firm to assess their competitive position by comparing products and services.
3. Benchmarking data is often available for purchase.
4. Benchmarking cannot be internal or external.
5. Functional benchmarking - involves observing how others compete.

**Note:** Satisfactory rating – 3 and above points , Unsatisfactory - below 3 points

### Answer Sheet

Score = \_\_\_\_\_

Rating: \_\_\_\_\_



### Information sheet- 3

### Comparing key indicators of own practice with benchmark indicators

#### 3.1 What's a key performance indicator (KPI)?

**Key performance indicator** helps you plan your progress against your company's strategic goals. While a benchmark has a company comparing its processes, products and operations with other entities, a key performance indicator (KPI) measures how well an individual, business unit, project and company performs against their strategic goals. Company executives and managers use KPIs to understand where they are in relation to their goals and to help them adjust if it looks like they are off course to meeting their objectives. KPIs serve as monitoring and decision-making tools that help answer your organizations

#### 3.2 Relationship between benchmarking and KPIs

Any meaningful KPI needs to indicate levels of performance and therefore requires targets or thresholds to put results into context and show if performance is on track or not. This is where benchmarking comes in because benchmarks can help to establish the appropriate targets and performance thresholds. Benchmarking is a powerful management tool for companies to build winning plans and strategies as well as to continuously improve. Successful organizations are those that don't just look internally for improvement, but get inspired by benchmarking themselves against others, their competitors and who also learn from best business practices no matter where they come from. Benchmarking is a comparative analysis of structures, processes, products and services. It compares an entity to peers in the same field of activity and/or to best practices from entities in other areas. The objective of benchmarking is to learn from better performing peers or other entities in order to improve own structures, processes, products and services.



Self check 3	T/F
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Name: \_\_\_\_\_ Date: \_\_\_\_\_

**Directions:** Write TRUE if the statement is correct and write FALSE if the statement is wrong.

1. **Key performance indicator** is serving as monitoring and decision-making tools.
2. Any meaningful KPI needs to indicate levels of performance.
3. The objective of benchmarking is to learn from better performing peers.

**Note:** Satisfactory rating – 2 and above points , Unsatisfactory - below 2 points

**Answer Sheet**

**Score =** \_\_\_\_\_

**Rating:** \_\_\_\_\_



## Information sheet - 4

## Identifying areas of improvements

### 4.1. Identifying areas of improvements

Typically, organizations will identify a problem and then work to identify the root cause of the problem to come up with a solution for implementation. But what are several, few, or no problems in the organization to improve your organization? How do you go about identifying areas for improvement? One of the best ways for improvement is to use a Lean assessment methodology. The Lean assessment helps an organization identify potential opportunities for improvement at a high level and provides an understanding of the process before change occurs. It is a systematic evaluation that documents the current state of the business and what can be expected in the future state. Typical areas that are evaluated through a Lean assessment include the company's current culture, market expectations, customer satisfaction, employee skills requirements, readiness to change, and other areas that may be identified by management: Ultimately, any area can be evaluated. Here are the steps to performing a Lean assessment in your organization:

- Meetings: Meet with key and controlling stakeholders to determine expectations and timeline for the Lean assessment.
- Determine the project scope: Write a project charter to contain the project.
- Conduct interviews with staff to gather answers to specific questions: What are the perceived levels of empowerment in the business? There is value in speaking to as many staff as possible to identify the strengths, weaknesses, opportunities and threats to the business. Also include other situational topics specific to your business.
- Develop benchmarking for several areas in your organization:
- For example, include strategic and operational planning in your review, workplace organization, IT systems, human resources development, current accounting practices, operational performance, sales and marketing, and other areas that you feel could or should be included in the assessment.
- Prepare summary and detailed reports of your findings and include specific areas for initial improvement, reasons, and possible solutions. Estimate amount of internal and external resources and provide high level recommendations resulting from your findings.



- Meet with the key and controlling stakeholders to present your findings and recommendations and determine steps forward.

But what should a company do now that you have all this information? At the beginning, start with a minimally intrusive area such as corporate culture or readiness for change. Then get stakeholder buy-in for change in that area. Your initial efforts should include a full-scale investigation in the area that you have chosen as well as extensive benchmarking as you establish your go-forward plan. Whatever area you choose and however you choose to implement it, a crucial ingredient is and will be people. Include as many people from your organization as possible in the project. And remember to include them early in the planning stage, so that ideas are captured and heard. There is nothing worse than initiating a project and implementing it on your own in an effort to not make waves for staff. You need to make waves. You need to get staff involved. The more involved they are, the more accepting they will be of the change. And during the project, it will be much easier to implement the changes.

Ultimately, identifying areas for improvement in an organization is really dependent on what areas you choose to study and evaluate and what areas stakeholders agree to be priority – those areas that, once improved, will markedly improve the organization's performance and bottom line.



Self check 4	Written test
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### Answer the following questions

**Directions:** Write TRUE if the statement is correct and write FALSE if the statement is wrong.

1. The Lean assessment helps an organization identify potential opportunities for improvement.
2. Write a project charter to contain the project is the final step in Lean assessment.
3. Identifying areas for improvement in an organization is really dependent on what areas you choose to study and evaluate .

**Note:** Satisfactory rating – 2 and above points , Unsatisfactory - below 2 points

### Answer Sheet

**Score =** \_\_\_\_\_

**Rating:** \_\_\_\_\_



## Operation Sheet-1

## Bench marking procedures

### Techniques for-benchmarking

**Step 1-** plan for bench marking.

**Step 2-** collect data which are necessary for bench marking

**Step 3-** Analyze the data which obtained both internally and externally, Data analysis, data presentation (preferably in graphical format, for easy reference), results projection, classifying the performance gaps in processes, and identifying the root cause that leads to the creation of such gaps (commonly referred to as enablers).

**Step 4-** Implementation of analyzed data

**Step 5-** monitor and evaluate the activity performed in regular basis



LAP Test 1	Practical Demonstration
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Name: \_\_\_\_\_ Date: \_\_\_\_\_

Time started: \_\_\_\_\_ Time finished: \_\_\_\_\_

**Instructions:** Given necessary templates, tools and materials you are required to perform the following tasks within 3-4 hour.

**Task 1.** Perform benchmarking for specific business you have.





## List of reference materials

1. <https://mncconsultinggroup.com/free-resources/white-papers/how-organizations-can-identify-areas-for-improvement/>
2. <http://www.fullsailpartners.com/fspblog/key-performance-indicators-vs-benchmarking>
3. [https://www.tutorialspoint.com/management\\_concepts/benchmarking\\_process.htm](https://www.tutorialspoint.com/management_concepts/benchmarking_process.htm)
4. <https://www.nap.edu/read/22668/chapter/5#11>



# **Solar PV System Installation and Maintenance NTQF LEVEL -III**

## **LEARNING GUIDE -71**

<b>UNIT OF COMPETENCE:</b>	<b>IMPROVE BUSINESS PRACTICE</b>
<b>MODULE TITLE:</b>	<b>IMPROVING BUSINESS PRACTICE</b>
<b>LG CODE:</b>	<b>EIS PIM3 M17 LO3 LG-71</b>
<b>TTLM CODE:</b>	<b>EIS PIM3 TTLM 0920V1</b>

### **LO3: Develop plans to improve business performance**



<b>Instruction Sheet</b>	<b>Learning Guide- 71</b>
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This learning guide is developed to provide you the necessary information regarding the following content coverage and topics –

- Cost-benefit analysis
- Developing and agreeing an action plan
- Determining work flow changes
- Checking Organizational structures

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 a consolidated list of required improvements .
- Determine Cost-benefit analysis for required improvements
- Determine work flow changes resulting from proposed improvements .
- Develop and agree an action plan to implement the top ranked improvements
- Check organizational structures

### **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
5. If you earned a satisfactory evaluation from the “Self-checks” proceed to “Operation Sheets,
6. Do the “LAP test



## Information sheet -1

## Develop plans to improve business performance

### 1.1. Major components of a common business plan

#### 1.1.1. How to Develop a Performance Improvement Plan

A standard course of action for assisting employees who are underperforming is to put together a Performance Improvement Plan (PIP). Having a written record of how a worker is expected to correct deficiencies will protect the worker and the employer and avoid any confusion about expectations. The purpose of a Performance Improvement Plan is to help an employee address and correct any issues in their work that may be affecting the business. Develop a Performance Improvement Plan before taking other disciplinary actions in order to include the employee in the strategizing of his or her performance improvement.

#### Steps:

1. **Define the performance issue.** Put the problem in writing. Specify if the employee is lacking in a particular skill, or if it is a behavioral problem that needs to be addressed. Be specific about any incidents or problems that have occurred because of the skill deficiency or behavioral problem.
2. **Establish expectations.** Define the areas of performance or behavior that need to be improved. List the changes or skills that are required from the employee. Have the end result clearly established in writing.
3. **Establish timelines.** The Performance Improvement Plan must include deadlines and a schedule of priorities. Identify the time periods in which actions are to be taken and changes are to be made. Communicate how these deadlines will be enforced, and what the consequences will be if they are missed.
4. **Develop an action plan that includes goals and objectives.** Assign specific tasks to both the supervisor and the employee to make the improvements outlined in the expectations. Ask the employee for input as to whether the action items are reasonable and fair. Make sure the employee has the tools he or she needs to improve performance, including support from other staff or supervisors.



5. **Decide on a method of evaluation.** Include plans for how the employee's improvement will be reviewed, and how frequently evaluations will occur. Schedule periodic meetings or conferences to review the challenges and successes in the employee's work.
6. **Review the Performance Improvement Plan with the employee.** Make sure the employee understands all the elements of the PIP, and is prepared to accept the consequences that are laid out if satisfactory employee performance is not achieved. Have the employee and his or her supervisor sign the plan to acknowledge its review and receipt.

A business plan is a detailed report on a company's products or services, production techniques, markets, human resources, organization, requirements of infrastructure, financing requirements, and sources and uses of funds. The followings are the parts of the common business plan

- Executive Summary (summary of the full business plan)
- Background (short historical background of the business)
- Main products, Markets and Customers (of the business)
- Market Analysis
- Marketing Plan
- Business operations Management
- Management and Organization
- SWOT Analysis
- Financial planning (basic financial statements, breakeven point, cash flow statements...)

## 1.2. Developing a consolidated list of required improvements.

Within this forum system it is easy for customers to +1/vote for ideas and problems that they would like addressed. These votes in turn enabled ordered lists to be produced such as

- All ideas/feature requests
- Only ideas/feature requests currently planned
- Only ideas/feature requests currently under consideration
- All problems



Various other ordered lists are available via the links on the left of the all topics page. Whilst these lists and votes give a reasonable indication of what people like and are interested in seeing addressed

- They do not give any weighting to how important individuals see each topic relative to others
- And they do not give any weighting or consideration to the complexity or ease with which each may be implemented or solved.

Whilst people can and have posted replies on individual topics to emphasis how important they see that particular issue people may find it useful to have a place (i.e. this topic) to say what they think is most important or to rank the ideas etc.



Self check - 1	True/false
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**Directions:** Write TRUE if the statement is correct and write FALSE if the statement is wrong.

1. The purpose of a Performance Improvement Plan is to help an employee address and correct any issues in their work.
2. The Performance Improvement Plan must include deadlines and a schedule of priorities.
3. Executive summary is not one part of the common business plan.

**Note:** Satisfactory rating – 2 and above points , Unsatisfactory - below 2 points

### Answer Sheet

Score = \_\_\_\_\_

Rating: \_\_\_\_\_



## 2.1 Determining Cost-Benefit Analysis (CBA)

**Cost-benefit analysis**, sometimes called **benefit-cost analysis (BCA)**, is a systematic approach to estimating the strengths and weaknesses of alternatives that satisfy transactions, activities or functional requirements for a business. It is a technique that is used to determine options that provide the best approach for the adoption and practice in terms of benefits in labor, time and cost savings etc. The CBA is also defined as a systematic process for calculating and comparing benefits and costs of a project, decision or government policy. Broadly, CBA has two purposes:

1. To determine if it is a sound investment/decision (justification/feasibility),
2. To provide a basis for comparing projects. It involves comparing the total expected cost of each option against the total expected benefits, to see whether the benefits outweigh the costs, and by how much CBA is related to, but distinct from cost-effectiveness analysis. In CBA, benefits and costs are expressed in monetary terms, and are adjusted for the time value of money, so that all flows of benefits and flows of project costs over time (which tend to occur at different points in time) are expressed on a common basis in terms of their "net present value."

Cost benefit analysis in project management is one more tool in your toolbox. This one has been devised to evaluate the cost versus the benefits in your project proposal. It begins with a list, as so many processes do. In terms of writing your business plan, you are about to create the draft budget and provide the financial information that any lender or investor will examine early and closely.

- **Costs and Prices**

Your first task in tackling the financial pages is to determine the cost of and price for your product. In the simplest terms, the price you can charge for your product or service is the value the market places on it. You calculate the costs of producing the product or service and add profit margin to create the price. The product and service is then sold to customers willing to pay that price.





- **Profit Margin**

Calculating your costs is the first step in calculating your price. Next, you establish the return you want in quantitative terms. For start-ups, the return is most often expressed as the amount of salary you will require for yourself over the short term. As your business grows, you can expect earnings to increase as well, but in the formative years, when you are establishing yourself, plan to take a modest amount from the business. If you are more successful than you planned, all the better. This approach will help ensure a viable business and, potentially, more funds for advertising and promotion. As your business grows, you may expand your pricing objectives to include maintaining or improving market share, price stability, or preventing competition.

In any business, it is the profit margin that gets squeezed between costs and prices and causes the business to eventually lose financial viability.

- **How Low Can You Go?**

The first step is to determine your break-even point (BEP). The BEP is the point at which your total costs are equal to your total revenue. At sales levels below the BEP, you will have a loss. At sale levels above BEP, a profit. You can calculate the BEP as follows: This formula will enable you to determine the number of transactions you will need to achieve break-even. Transactions can consist of hours worked, jobs completed, services provided, or any other single unit of measurement. Then you can estimate the number of customers you need, and compare that number to your estimated market-share information. These calculations should indicate how likely you are to achieve the minimum level of sales required in your first year.

## **2.2 BREAK-EVEN QUANTITY**

$$BEQ = \frac{FC}{P-VC}$$

BEQ = number of transactions necessary to break even

(i.e., pounds sold, units processed, hours billed)

FC = fixed costs for one year

P = price that you will charge for a single service or transaction



VC = direct or variable costs related to each transaction

To complete your break-even analysis, you will have to make many assumptions, any one of which could have a substantial effect on its outcome. That, however, is the nature of this type of analysis. It is advisable to calculate your BEP according to the method you find most often used. Pricing strategies that vary from this break-even approach are difficult in the recycling business. Prices are constrained so strongly by the commodities market that production costs become very important, making it difficult to adjust prices.

### **Penetration Pricing**

This strategy involves either paying your suppliers at above market-prices or pricing your product or service at a level below that of your competition. Your goal is twofold:

- 1) to get customers to switch from your competitors because they perceive that you can give them better value and
- 2) to attract customers who previously have never used such products or services (or have used them infrequently due to price barriers).
- 3)

This strategy works most effectively for businesses that can achieve economies with increases in volume. On the downside, you must be very careful when implementing this type of pricing structure. Here are two reasons why: First, you must be confident that you can achieve your financial goals at these lower price levels. If your projected sales levels don't come to fruition, you cannot always solve the problem by simply increasing the price. At that point, faced with higher prices, your customers may revert back to their former service providers. You may also lose customers who are new to the market when they realize they cannot afford to continue buying your products or services. Second, your competitors have the ability to interfere with your plans in the short run, assuming they don't want to decrease their own prices over the long term. For example, they can temporarily discount their prices to match yours, thus taking away your advantage and keeping their existing customers, forcing you to either go out of business or to raise your prices to match theirs.



## **2.3 Pitfalls**

A number of factors can have negative impacts on your overall pricing strategy. Any lender will scrutinize your business plan very carefully if it involves departure from normal pricing strategy.

### **Underestimating Costs**

The failure to identify and estimate costs accurately can have a devastating effect on your business. If the reader of your business plan notes that you have underestimated or even omitted costs, your application for a loan could be rejected.

### **Competition**

You need to identify all relevant competitors and their pricing policies. Failure to do so may result in both overestimating market share and/or pricing errors. Either way, it could prove fatal to your business.

### **Discounts and Allowances**

If you intend to offer discounts, such as 15% off to preferred customers, be sure to include them in your pricing analysis. A 15% discount to the top 10% of your customers would have a significant effect on your bottom line.



Self check - 2	Written Test
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**Directions:** Choose the correct answer for the following questions

1. .... is a systematic approach to estimating the strengths and weaknesses of alternatives that satisfy transactions.
  - A. Competition
  - B. Cost–benefit analysis
  - C. Underestimating Costs
  - D. All
2. One of the following is NOT the purposes of cost–benefit analysis.
  - A. To determine if it is a sound investment/decision.
  - B. To provide a basis for comparing projects
  - C. To get customers to switch from your competitors
  - D. All
3. One of the following is NOT the purposes of Penetration Pricing
  - A. To provide a basis for comparing projects
  - B. to get customers to switch from your competitors
  - C. to attract customers who previously have never used such products
  - D. All
4. One of the followings factors have negative impacts on your overall pricing.
  - A. Underestimating Costs
  - B. Competition
  - C. Discounts and Allowances
  - D. All



### 3.1. Determining work flow changes.

Workflow, loosely defined, is the set of tasks grouped chronologically into processes and the set of people or resources needed for those tasks that are necessary to accomplish a given goal. An organization's workflow is comprised of the set of processes it needs to accomplish, the set of people or other resources available to perform those processes, and the interactions among them. You define the workflow by first identifying the states and the valid transitions between them. The **WORKFLOW** section of the WIT definition specifies the valid states, transitions, reasons for the transitions, and optional actions that will be performed when a team member changes the state of a work item.

In general, you associate each state with a team member role and a task that a person in that role must perform to process the work item before changing its state. Transitions define the valid progressions and regressions between states. Reasons identify why a team member changes a work item from one state to another, and actions support automation of the transition of a work item at a point in the workflow.

For example, the State is set to New when a tester opens a new bug that is based on the default agile process template that Team Foundation Server (TFS) provides. The developer changes the State to Active when fixing the bug, and once fixed, the developer changes its state to Resolved and sets the value of the Reason field to Fixed. After verifying the fix, the tester changes the state of the bug to Closed and the Reason field changes to Verified. If the tester determined that the developer had not fixed the bug, the tester would change the state of the bug to Active and specify the Reason as Not Fixed or Test Failed. As you design or modify a workflow, consider the following guidelines:

- Use the **STATE** element to define a unique state for each team member role that will take a specific action on a work item. The more states you define, the more transitions you must define. Regardless of the sequence in which you define the states, they are listed in alphanumeric order in the drop-down menu for the **State** field.



If you add a state to a work item type that appears on the backlog or board pages in Team Web Access, you must also map the state to a metastatic.

- Use the TRANSITION element to define a transition for each valid progression and regression from one state to another. At a minimum, you must define one transition for each state, and the transition from the null state to the initial state. You can define only one transition from unassigned (null) to the initial state. When you save a new work item, it is automatically assigned to the initial state. When a team member changes the state of a work item, that change triggers the transition and the actions that you define to be performed for the selected state and the transition. Users can specify only those states that are valid based on the transitions that you define for the current state. In addition, an ACTION element, which is a child element of TRANSITION, can change the state of a work item.
- For each transition, you define a default reason by using the DEFAULTREASON element. You can define as many optional reasons as you want by using the REASON element. These values appear in the drop-down menu of the Reason field.
- You can specify rules that will be applied when the work item changes state, when it transitions, or when a user selects a specific reason. Many of these rules supplement the conditional rules that you can apply when you define the fields in the FIELDS section under the WORKITEMTYPE definition. For more information, see Update fields during a workflow change later in this topic.

Applying a workflow change to a running workflow can occur in two different entry points: in the workflow code file, and outside the workflow, such as the workflow host. For more information about applying workflow changes, see how to Apply Workflow Changes.



## Restrictions on Workflow Changes

The following are a few restrictions on workflow changes imposed by Windows Workflow Foundation that you must be aware of:

- Activities can be added or removed from a workflow instance, but properties on an existing activity cannot be changed unless those properties are declarative rule conditions or rule sets.
- Custom composite activity types that incorporate child activities as part of its definition cannot have its child activities dynamically added or removed. This is because custom composite activities like this are "black box" activities and cannot be fundamentally modified during runtime.
- An activity that is not in the Initialized or Closed states cannot be removed dynamically during run time.

A workflow developer can restrict the use of workflow changes through an Activity Condition attached to the root activity of the workflow, which is used by the workflow runtime to determine whether or not any workflow changes are allowed for a specific workflow instance.



Self-check 3	T/F
--------------	-----

**Directions:** Write TRUE if the statement is correct and write  
FALSE if the statement is wrong.

1. Workflow changes have not any restrictions.
2. Applying a workflow change to a running workflow can occur in two different entry points.
3. Workflow is the set of tasks grouped chronologically into processes and the set of people or resources needed for those tasks.

**Note:** Satisfactory rating – 2 and above points , Unsatisfactory - below 2 points

**Answer Sheet**





#### **4.1. Performance Improvement**

Performance improvement is measuring the output of a particular business process or procedure, then modifying the process or procedure to increase the output, increase efficiency, or increase the effectiveness of the process or procedure. Performance improvement can be applied to either individual performance such as an athlete or organizational performance such as a racing team or a commercial business. In organizational development, performance improvement is organizational change in which the managers and governing body of an organization put into place and manage a program which measures the current level of performance of the organization and then generates ideas for modifying organizational behavior and infrastructure which are put into place to achieve higher output. The primary goals of organizational improvement are to increase organizational effectiveness and efficiency to improve the ability of the organization to deliver goods and or services. A third area sometimes targeted for improvement is organizational efficacy, which involves the process of setting organizational goals and objectives.

Performance improvement at the operational or individual employee level usually involves processes such as statistical quality control. At the organizational level, performance improvement usually involves softer forms of measurement such as customer satisfaction surveys which are used to obtain qualitative information about performance from the viewpoint of customers. Performance is a measure of the results achieved. Performance efficiency is the ratio between effort expended and results achieved. The difference between current performance and the theoretical performance limit is the performance improvement zone.

##### **4.1.1. Levels**

Performance improvement can occur at different levels:

- an individual performer
- a team
- an organizational unit
- the organization itself



#### 4.1.2. Cycle

Business performance management and improvement can be thought of as a cycle:

1. Performance Planning where goals and objectives are established
2. .Performance Coaching where a manager intervenes to give feedback and adjust performance
3. Performance appraisal where individual performance is formally documented and feedback delivered



Self-check 4	T/F
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**Directions:** Write TRUE if the statement is correct and write FALSE if the statement is wrong.

1. In organizational development, performance improvement is organizational change.
2. Performance is a measure of the results achieved.
3. The primary goals of organizational improvement are to increase organizational effectiveness and efficiency.

**Note:** Satisfactory rating – 2 and above points , Unsatisfactory - below 2 points

**Answer Sheet**



### 5.1. Developing and agreeing an action plan

A standard course of action for assisting employees who are underperforming is to put together a Performance Improvement Plan (PIP). Having a written record of how a worker is expected to correct deficiencies will protect the worker and the employer and avoid any confusion about expectations. Develop a Performance Improvement Plan before taking other disciplinary actions in order to include the employee in the strategizing of his or her performance improvement.

#### Steps :-

- 1. Define the performance issue.** Put the problem in writing. Specify if the employee is lacking in a particular skill, or if it is a behavioral problem that needs to be addressed. Be specific about any incidents or problems that have occurred because of the skill deficiency or behavioral problem.
- 2. Establish expectations.** Define the areas of performance or behavior that need to be improved. List the changes or skills that are required from the employee. Have the end result clearly established in writing.
- 3. Establish timelines.** The Performance Improvement Plan must include deadlines and a schedule of priorities. Identify the time periods in which actions are to be taken and changes are to be made. Communicate how these deadlines will be enforced, and what the consequences will be if they are missed.
- 4. Develop an action plan that includes goals and objectives.** Assign specific tasks to both the supervisor and the employee to make the improvements outlined in the expectations. Ask the employee for input as to whether the action items are reasonable and fair. Make sure the employee has the tools he or she needs to improve performance, including support from other staff or supervisors.
- 5. Decide on a method of evaluation.** Include plans for how the employee's improvement will be reviewed, and how frequently evaluations will occur. Schedule periodic meetings or conferences to review the challenges and successes in the employee's work.
- 6. Review the Performance Improvement Plan with the employee.** Make sure the employee understands all the elements of the PIP, and is prepared to accept the consequences that are laid out if satisfactory employee performance is not achieved. Have



the employee and his or her supervisor sign the plan to acknowledge its review and receipt. Performance issues can sometimes be a matter of communication, rather than a lack of skills or a behavioral issue. Make sure the supervisor and employee are meeting regularly to discuss the expected work requirements and the timelines established to complete their work.

- Remember to involve an employment attorney or a human resources professional when disciplining employees or bringing corrective action to a worker. Labor laws differ from state to state and change frequently.



<b>Self-check 5</b>	<b>T/F</b>
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**Directions:** Write TRUE if the statement is correct and write  
FALSE if the statement is wrong.

1. Labor laws differ from state to state and change frequently.
2. Plans for how the employee's improvement will not be reviewed.
3. Supervisor and employee are meeting regularly to discuss the expected work requirements.

**Note:** Satisfactory rating – 2 and above points , Unsatisfactory - below 2 points

**Answer Sheet**



### **6.1. Organizational structure**

An organizational structure defines how activities such as task allocation, coordination and supervision are directed towards the achievement of organizational aims. It can also be considered as the viewing glass or perspective through which individuals see their organization and its environment.

### **6.2. Organizations are a variant of clustered entities.**

An organization can be structured in many different ways, depending on their objectives. The structure of an organization will determine the modes in which it operates and performs.

Organizational structure allows the expressed allocation of responsibilities for different functions and processes to different entities such as the branch, department, workgroup and individual.

Organizational structure affects organizational action in two big ways:

- First, it provides the foundation on which standard operating procedures and routines rest.
- Second, it determines which individuals get to participate in which decision-making processes, and thus to what extent their views shape the organization's actions.

Organizational structures developed from the ancient times of hunters and collectors in tribal organizations through highly royal and clerical power structures to industrial structures and today's post-industrial structures. Any operating organization should have its own structure in order to operate efficiently. For an organization, the organizational structure is a hierarchy of people and its functions. The organizational structure of an organization tells you the character of an organization and the values it believes in. Therefore, when you do business with an organization or getting into a new job in an organization, it is always a great idea to get to know and understand their organizational structure. Depending on the organizational values and the nature of the business, organizations tend to adopt one of the following structures for management purposes. Although the organization follows a particular structure, there can be departments and teams following some other organizational structure in exceptional cases. Sometimes, some organizations may follow a combination of the following organizational structures as well.



### 6.3. Organizational Structure Types

Following are the types of organizational structures that can be observed in the modern business organizations.

- A. Bureaucratic Structures
- B. Functional Structure
- C. Divisional Structure
- D. Matrix Structure

#### 6.3.1. Bureaucratic Structures

Bureaucratic structures maintain strict hierarchies when it comes to people management. There are three types of bureaucratic structures:

##### a. Pre-bureaucratic structures

This type of organizations lacks the standards. Usually this type of structure can be observed in small scale, start-up companies. Usually the structure is centralized and there is only one key decision maker. The communication is done in one-on-one conversations. This type of structures is quite helpful for small organizations due to the fact that the founder has the full control over all the decisions and operations.

##### b. Bureaucratic structures

These structures have a certain degree of standardization. When the organizations grow complex and large, bureaucratic structures are required for management. These structures are quite suitable for tall organizations.

##### c. Post-bureaucratic Structures

The organizations that follow post-bureaucratic structures still inherit the strict hierarchies, but open to more modern ideas and methodologies. They follow techniques such as total quality management (TQM), culture management, etc.





### **6.3.2. Functional Structure**

The organization is divided into segments based on the functions when managing. This allows the organization to enhance the efficiencies of these functional groups.

### **6.3.3. Divisional Structure**

These types of organizations divide the functional areas of the organization to divisions. Each division is equipped with its own resources in order to function independently. There can be many bases to define divisions. Divisions can be defined based on the geographical basis, products/services basis, or any other measurement.

### **6.3.4. Matrix Structure**

When it comes to matrix structure, the organization places the employees based on the function and the product. The matrix structure gives the best of the both worlds of functional and divisional structures. In this type of an organization, the company uses teams to complete tasks. The teams are formed based on the functions they belong to and product they are involved in.

## **6.4. Operational organizations and informal organizations**

The set organizational structure may not coincide with facts, evolving in operational action. Such divergence decreases performance, when growing. E.g., a wrong organizational structure may hamper cooperation and thus hinder the completion of orders in due time and within limits of resources and budgets. Organizational structures shall be adaptive to process requirements, aiming to optimize the ratio of effort and input to output.



Self-check 6	True/False
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**Directions:** Write TRUE if the statement is correct and write FALSE if the statement is wrong.

1. An organization can be structured in many different ways, depending on their objectives.
2. Functional Structure organization is divided into segments based on the functions.
3. Bureaucratic structures have a certain degree of standardization.

**Note:** Satisfactory rating – 2 and above points , Unsatisfactory - below 2 points



Operation Sheet-1	Performing cost benefit analysis
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### Techniques for- Performing cost benefit analysis

**Step 1**-Brain storm cost and benefit.

**Step 2**-Assign a monetary value to the cost.

**Step 3**- Assign a monetary value to the benefit.

**Step 4**- compare cost and benefit



LAP Test 1	Practical Demonstration
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Name: \_\_\_\_\_ Date: \_\_\_\_\_

Time started: \_\_\_\_\_ Time finished: \_\_\_\_\_

**Instructions:** Given necessary templates, tools and materials you are required to perform the following tasks within 3-4 hour.

**Task 1. Perform cost benefit analysis**



### **List of references**

1. <https://www.projectmanager.com/blog/cost-benefit-analysis-for-projects-a-step-by-step-guide>
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4. Business Owners Toolkit, Total Know-How for Small Businesses
5. Small Business Administration, Marketing to Federal Agencies and Prime Contractors
6. Shirleen Payne, ProSidian Consulting, LLC, Developing a Marketing Plan
7. All Business, Dun & Bradstreet Company, Three Steps for Developing a Marketing Plan for Your Small Business
8. Entrepreneur.com, Small Business Encyclopedia, How to Create a Marketing Plan
9. Business Know-How, 10 Key Components of a Marketing Plan
10. Mplans, How to Perform a SWOT Analysis
11. Growth Panel, Intelligent Marketing Management



# **Solar PV System Installation and Maintenance**

## **NTQF LEVEL -III**

# **LEARNING GUIDE -72**

<b>UNIT OF COMPETENCE:</b>	<b>IMPROVE BUSINESS PRACTICE</b>
<b>MODULE TITLE:</b>	<b>IMPROVING BUSINESS PRACTICE</b>
<b>LG CODE:</b>	<b>EIS PIM3 M17 LO4 LG-72</b>
<b>TTLM CODE:</b>	<b>EIS PIM3 TTLM 0920V1</b>

## **LO4: Develop marketing plans**



This learning guide is developed to provide you the necessary information

<b>Instruction Sheet</b>	<b>Learning Guide 72</b>
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regarding the following content coverage and topics –

- Identifying/refining target markets
- Selecting and developing Promotion tools
- Obtaining market research data
- Identifying benefits of products or services

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 –

- Review practice vision statement
- Develop / review practice objectives ..
- Identify / refine Target markets
- Obtain and conduct market research
- . Develop practice brand
- Obtain competitor analysis.
- Develop/ review market position.
- Identify benefits of products or services.
- Select and develop Promotion tools

**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
5. If you earned a satisfactory evaluation from the “Self-checks” proceed to “Operation Sheets,
6. Do the “LAP test



## Information sheet - 1

## Review vision statement

### 1.1. Review vision statement.

The vision is the statement of what you are building. It describes the idea of your firm in a way that captures your passion for your business and inspires you. It is the picture of what the firm wants to be in three to five years. Although some advocate creating a vision with a much longer time-frame, with the pace of business today and the changing legal landscape, creating a shorter term vision can keep you inspired and won't become obsolete before it is reached.

The vision should be specific and include items such as culture, the 'feel' and atmosphere of the firm, the intangibles that customers can expect, as well as the 'harder' or more tangible aspects of the business, such as number of clients, gross profits, number of employees, number of offices, number and types of practice areas, etc.

### 1.2. Crafting Your Vision Statement

The vision describes your dream for your practice. Set no limits when initially exploring the vision statement – let yourself describe your vision in an expanded manner. It may help you see possibilities you might not otherwise have recognized. Spend some time thinking about it before editing down to what you think is realistic or achievable. But remember when editing not to edit out your passion – that which makes you enthusiastic about reaching your vision.

### 1.3. Market Segmentation

Once you have established that there is a market with positive growth trends for your proposed business on a national, regional and/or local basis, you must break down this data to reflect the conditions of the market you plan to serve, i.e. your target market. The process by which very large and somewhat homogeneous markets are reduced to smaller target markets is called

#### **market segmentation.**

The purpose of segmenting your market carefully is to ensure that your target market is accessible and large enough to sustain your overall operation. There are many ways to segment markets by characteristics: size, income, business type, geographic location, service area and so on.





Self check 1	T/F
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. The vision is the statement of what you are building.
2. The vision should Not be specific and include items such as culture
3. The purpose of segmenting your market carefully is to ensure that your target market is accessible.

**Note:** Satisfactory rating – 2 and above points, Unsatisfactory - below 2 points

### Answer Sheet



## 2.1 Developing/ reviewing objectives

An objective shows the anticipated results of the work conducted at one or more service delivery sites, and reflects the impact or changes that are expected in the population covered by this program.

## 2.2 What are objectives?

Objectives are the specific measurable results of the initiative.

Objectives should be Qualitative or SMART. **SMART** is not a word, but an acronym (or combination of initial letters) representing:

**S - Specific**, well explained

**M - Measurable** and based on observable behavior, such as results stated in numbers

**A - Achievable** /Appropriate (or adequate) within the capacity of the group, feasible, achievable (resources are there, and obstacles can be overcome)

**R- Relevant** (or realistic), pertinent, related to the problem and proposed solutions

**T - Time bound**, and able to be met within a stated time

Determining your market and market share is the essence of your business, and in your business plan you must be specific. Your sales projections should be time-limited. It should be clear that:

- you are writing for a certain set of circumstances;
- you are aware of the major changes that could occur; and
- you have a planned response to likely change.

✓ **There are three basic types of objectives. They are:**

- **Process objectives.** These are the objectives that provide the groundwork or implementation necessary to achieve your other objectives. For example, the group might adopt a comprehensive plan for improving neighborhood housing. In this case, adoption of the plan itself is the objective.



- **Behavioral objectives.** These objectives look at changing the behaviors of people (what they are doing and saying) and the products (or results) of their behaviors. For example, a neighborhood improvement group might develop an objective for having an increased amount of home repair taking place (the behavior) and fewer houses with broken or boarded-up windows (the result).
- **Developing objectives**
- **Community-level outcome objectives.** These are often the product or result of behavior change in many people. They are focused on change at the community level instead of an individual level. For example, the same neighborhood group might have an objective of increasing the percentage of people living in the community with adequate housing as a community-level outcome objective. It's important to understand that these different types of objectives aren't mutually exclusive. Most groups will develop objectives in all three categories.

### 2.3 Why should you create objectives?

There are many good reasons to develop objectives for your initiative. They include:

- Having benchmarks to show progress.
- Completed objectives can serve as a marker to show members of your organization, funders, and the greater community what your initiative has accomplished.
- Creating objectives helps your organization keep focused on initiatives most likely to have an impact.
- Keeping members of the organization working toward the same long-term goals.

### 2.4 When should you create objectives?

Your community organization should create objectives when:

- Your organization has developed (or revamped) its vision and mission statements, and is ready to take the next step in the planning process.
- Your organization's focus has changed or expanded. For example, perhaps your organization's mission relates to care and caring at the end of life. You have recently been made aware of new resources, however, to positively affect the lives of those deeply affected by the death of a loved one. If your organization were to apply for this new grant,



it would clearly expand upon your current work, and would require objectives as you developed your action plan.

- The organization wants to address a community issue or problem, create a service, or make a community change that requires:
  - ✓ Several years to complete.
  - ✓ A change in behavior of large numbers of people
  - ✓ A multi-faceted approach.

## 2.5 How do you create objectives?

So once your organization has decided that it does wish to develop objectives, how do you go about doing so? Let's look at the process that will help you to define and refine objectives for your organization.

- Define your vision and mission statements.

The first thing you will need to do is review the vision and mission statements your organization has developed. Before you determine your objectives, you should have a "big picture" that they fit into.

- Determine the changes to be made

The root of writing realistic objectives is learning what changes need to happen in order to fulfill your mission. There are many ways to do this, including:

- ✓ **Research what experts in your field believe to be the best ways to solve the problem.** For many community issues, researchers have developed useful ideas of what needs to occur to see real progress. This information may be available through local libraries, the Internet, state and national agencies, national nonprofit groups, and university research groups.
- ✓ **Discuss with local experts what needs to occur.** Some of the people with whom you may wish to talk include:
  - ✓ Other members of your organization
  - ✓ Local experts, such as members of other, similar organizations who have a great deal of experience with the issue you are trying to change



- ✓ Agents of change, or the people in a position to contribute to the solution. Agents of change might include teachers, business leaders, church leaders, local politicians, community members, and members of the media.
- ✓ Targets of change, the people who experience the problem or issue on a day-to-day basis and those people whose actions contribute to the problem. Changing their behavior will become the heart of your objectives. Discuss the logistical requirements of your own organization to successfully address community needs. At the same time your organization is looking at what needs to happen in the community to solve the issue important to you, you should also consider what your organization requires to get that done. Do you need an action plan? Additional funding? More staff or more training for additional staff? This information is necessary to develop the process objectives we talked about earlier in this section.



Self check 2	Written test
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Your sales projections should be time-limited.
2. Objectives are the specific measurable results of the initiative.
3. The root of writing realistic objectives is learning what changes need to happen in order to fulfill your mission.

**Note:** Satisfactory rating – 2 and above points, Unsatisfactory - below 2 points



Information sheet - 3	Identify/refine target markets
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### 3.1. Introduction

A **target market** is a group of customers a business has decided to aim its marketing efforts and ultimately its merchandise towards. A well-defined target market is the first element of a marketing strategy. Product, price, promotion, and place are the four elements of a marketing mix strategy that determine the success of a product or service in the marketplace. One of the first things anyone entering the solar industry needs to do is get to know the market in the country they are working in. The market for grid-connected PV differs from country to country and is largely determined by national support schemes and the level of feed-in tariffs, although even where these are not very attractive, many systems are being installed for prestige reasons and as a statement of an organization's commitment to the environment. It is important when marketing PV systems, or any other renewable energy technology, to find out right at the beginning why a customer is interested in the technology. This may be because an organization wants to make an environmental statement, because of attractive feed-in tariffs or providing energy security, or - in the case of stand-alone systems - it might simply be the simplest and easiest way of providing an electricity supply. This will influence the final offer to the customer and the overall system design concept. This chapter explores marketing techniques and concepts.

### 3.2. Marketing PV

#### 3.2.1. Customer orientation

What does marketing actually mean? A good working definition is as follows: marketing is the totality of measures that make it easy for your customers to decide on you and your products. Solar energy represents the future and a respectful attitude to the natural and human environment. When you sell a PV system you are always also selling part of this idea. This works most persuasively when you are customer oriented: the benefits to the customer become the central theme of your marketing. What do you gain from selling solar energy systems?



Answers to this question include:

- promoting a good cause (what benefits the environment and society also benefits you);
- advising your customer (what benefits your customer, benefits you too);
- customer loyalty (additional product(s); higher name recognition);
- gain in expertise (practice makes perfect, both technically and when it comes to
- personal satisfaction (emotional self-interest)

### **3.3. The Four Pillars Of The Marketing Concept**

Develop a marketing concept. Instead of operating at random, you will then be working the market systematically. Just one or two days of concentrated planning can save you a great deal of time, money and frayed nerves. You can selectively fill up low order periods to increase sales and improve cash flow. A marketing concept like this is supported on four pillars: analysis of your company; analysis of your products; analysis of the market; and analysis of your marketing implementation.

#### **3.2.2. The Company**

- **What targets are you pursuing in your work?**

What is important to you? You want your marketing to acquire the orders for you that serve your objectives. The way you see yourself is also important here. For example, do you want to offer the lowest possible prices or is quality your overriding priority? How important are ecological or social concerns to you? Make your company's image fit what you decide here.

- **What are you or your company's particular strengths?**

For example, are you a problem-solver who enjoys designing complex systems? Or are you particularly good at handling standardized projects? The more you concentrate on your core competences, the more clearly recognizable you are to everyone else.

Customers are then better able to distinguish you, for example, as 'the flat roof specialist'.

- **What are you or your company's weaknesses?**

What kind of customer support do you offer? How long does it take you to respond to customer enquiries? Have the main contact people in your company received training in how to make contact with customers? Also think about resources with regard to your marketing. If your





acquisition of new customers is successful, will you be able to manage the orders and still maintain your usual quality standards?

### 3.2.3. The Products

- **What are the greatest benefits that you offer your customers (strengths)?**

This concerns the services (quality and planning services) and the equipment you sell (modules, inverters, etc.). Are you up to date? Do you have the right products for your target group?

- **Where does your product have weaknesses compared to what your competitors offer?**

What have prospective customers repeatedly said when they decided not to buy your product? What do customers complain about who have experience with your products? Perhaps you could include an alternative product in your range in the medium term, or, for example, compensate for a higher price by including additional services, such as a free check-up after one year.

- **What product is the most profitable? What do you enjoy the most?**

These questions could have consequences for your marketing, your calculations or the general direction of your company.

### 3.2.4. Marketing Implementation

- **Who does your marketing?**

The best answer is: **everyone!** From your receptionist to the customer service engineer, every employee should know how they can contribute to winning and keeping customers. Are your sales representatives motivated? Is there a need for training?

- **What marketing resources do you have?**

These resources range from literature, brochures and model letters to standardized procedures. How do I handle a customer? Who is making a complaint? How should I behave on the telephone? How are enquiries processed?



- **What experience in marketing do you have, to date?**

Rate your experience in terms of time, money and enjoyment, on the one hand, and success, on the other. Were there any unexpected effects that you could build on and utilize? What have you never tried before? Don't be satisfied with quick answers. For example, if you weren't happy with the outcome of an exhibition, how much of that was the exhibition's fault, and how much was your fault? Are there other exhibitions where you could reach your target audience more effectively? How could you prepare better for the exhibition? Did you attend to all the prospective customers/visitors?

### **3.2.5. Marketing Reach**

This list is presented in order of increasing reach. At the same time, the form of address moves from direct (personal) to indirect (e.g. an advert), and the absolute costs increase (not the costs per contact):

- face-to-face contact;
- telephone;
- event;
- mail shot;
- newspaper/magazine/TV/radio.

#### **3.2.5.1. Face-To-Face Contact**

Face to- face contact is generally used for extensive consultations with prospective customers and in a sales talk is preparation for the sale.

#### **3.2.5.2. Telephone**

A telephone conversation is an intensive form of personal contact in which all components of the iceberg play a part. The telephone creates a personal closeness to the customer. The telephone is a good instrument for helping hesitant prospects across the contact threshold to the next, more concrete, step. Statutory regulations can restrict the use of the telephone for the first contact with private customers. Incidentally, this also applies to fax and email. The telephone is generally used to take up an earlier expression of interest or to follow up on a mail shot. Calling customers on the phone is an art that you and your employees can learn.



### **3.2.5.3. Events**

Events have a particular charm of their own: you can come into contact with a lot of people in a short time. Preparing for and staging an event is a motivating experience for the whole firm. In addition, it will often get you a free mention in the local press.

On the other hand, preparation involves a lot of work and the event itself is staff intensive. During an exhibition, the business can often run only at a limited pace. In addition to the costs, you will also be taking less money.

#### **3.2.5.3.1. Some Event Ideas**

Event ideas include the following:

- Participate in trade fairs and exhibitions.  
Put on your own exhibitions or open days.
- Take part in local campaigns or action weeks.
- Provide product presentations (e.g. in a restaurant or hotel).
- Conduct customer seminars.
- Organize talks/lectures.

Events are an excellent opportunity of collecting the addresses of potential customers.

Don't take all your information material along with you: just offer to send it – that way you get the address. By doing this at exhibitions, you'll also prevent your expensive brochures from going straight into the trash.

### **3.2.5.4. Mail Shot**

The mail shot is one of the most commonly used marketing tools. It is a good compromise between direct and indirect contact and the financial outlay is reasonable. You can use mail shots for various purposes:

- generate attention (e.g. to create initial contact);
- provide up-to-date information to a wide target group, such as offers, events and news;
- a regular reminder to customers that you are there as part of customer retention.



Generally, mail shots should aim to trigger a reaction: customers should be invited to get in contact with you.

### 3.2.5.5. Massmedia

As soon as you want to reach large numbers of people, the mass media is the way to go. Some examples of the media include:

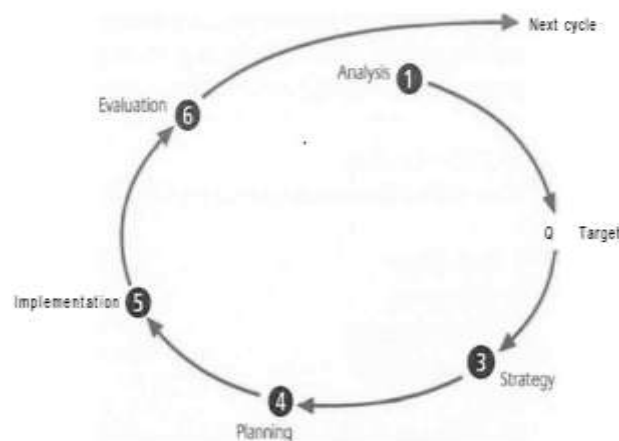
- internet;
- press;
- cinema;
- radio;
- TV.

### 3.3. Six Steps To The Target

Acquiring customers for solar energy can take a lot of stamina. A systematic method involving six steps can be used known as the marketing cycle.

- **The marketing cycle**

The theory behind the six steps in the marketing cycle is discussed below, with a practical example.



**Fig. 1. Marketing cycle**

#### **Step 1: Analysis**



You can find notes to help you in section 3.3 about the four pillars of the marketing concept'. You should also:

- Assess the costs and benefits of your marketing activities to date.
- Assess your economic situation.
- Have an eye towards the future development of your business.

### **Step 2: Setting a target**

Having targets is what enables you to set priorities and selectively decide which actions to take. Targets also make it easier to keep track of things in hectic situations.

They release extra energy as they activate your subconscious and help you to concentrate on the essentials.

So that you act on your good intentions, you need to work out your concrete targets. Put the results in writing and think SMART:

- Specific: what exactly?
- Measurable: how will you verify your success?
- Active: positive formulation instead of saying what you won't do.
- Realistic: ambitious but attainable.
- Timing: when do you want to have achieved it?

### **Step 3: Strategy**

Work out a 7C strategy for your target group (s) and translate this into an approximate timetable. In this timetable, write in the marketing campaigns month for month, as well as fixed dates, such as exhibitions and holidays.

Here are a few more tips:

- As a general rule, plan between four and seven contacts per customer each year.
- Don't give your contacts information overload. Include selective material, not a whole bundle.
- Vary the media: send Christmas greetings.
- The form of contact is not as important as the fact that customer contact is sustained over a period of time.

### **Step 4 : Planning**



Create a marketing plan for one to two years. Don't give up on the plan if success doesn't happen overnight. Persistence and long-term thinking are key qualities in customer acquisition. The 7C strategy provides the rough time frame. For detailed planning, create an activity plan for the individual campaigns (e.g. a mail shot). In this you specify:

- who (responsibilities)?
- who does what (definition of tasks)?
- by when (timetable)?

Plan the requirements for preliminary and follow-up work:

- Produce the advertising material (e.g. a mail shot letter).
- Consider the advertising medium (e.g. editorial deadline for trade publications).
- Address ordering/provision (address research in your own database).
- Prepare your own involvement. You control the activities: success depends upon your availability. Do small amounts when you can. You don't have time to call 50 people in one day; but if you make two calls each day, you'll get the job done in about a month.
- Availability of the employees you need: a long time in advance, schedule a period for concerted action by all of your employees who are involved in customer acquisition. First, no one will have time for it otherwise; second, it creates a strong feeling of team spirit.
- Follow up on prospective customers: good organization pays dividends. You need to know who has received what, who your A-list customers are and when the next action is due. And you need to know when to call off your efforts or move an address from category A (very good prospects) to C (less good prospects).

### **Step 5 : Implementation:**

There's not much else to say here apart from do it! The biggest danger in marketing campaigns is that just when they're about to start, something else more urgent needs to be done. Stick to your 7C concept! Marketing is important. As the boss, you have to give it the urgency it deserves.



## Step 6 : Evaluation

Immediately after a campaign, evaluate the costs and benefits (e.g. in your monthly marketing planning). A yearly summary is also worthwhile. Only when you have a thorough evaluation will you get the full benefit of the fruits of your work. This will allow you to make the next round even more efficient and effective.

### 3.4. How to Identify Your Target Market

Identify your business's target market so that you can best serve and advertise directly to your real customers. To identify your target market, you first need to answer these questions:

- **What are you selling, and what makes it so unique?** For example, what makes your merchandise different from what people can buy from other big retail chains?
- **To whom do you want to sell it?** Are you selling to parents? To retirees? To the environmentally conscious?
- **Why should people buy the product or service from you?** Are you open very late at night so that customers who work long hours can drop by your store? Do you offer free delivery of large items so that walk-in customers don't have to lug your product home?

When you have the answers to these questions, you should do two things:

- Focus on your primary market. Many business owners fall into the trap of believing that their products or services are “for everyone”—that is, anyone would be interested in or need the products. But even if your business appeals to a broad market of diverse consumers, you need to identify who your ideal consumer is. After you've identified your primary market, your advertising should match that focus.
- Research your market. Knowing your target audience is critical: Your ads won't work if they don't appeal to what your potential customers want or need. Research and find out as much as possible about the people you want to sell to.



<b>Self-Check - 3</b>	<b>Written test</b>
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. The market for grid-connected PV similar from country to country.
2. When you sell a PV system you are always also selling part of this idea.
3. The telephone is a good instrument for helping hesitant prospects.
4. Acquiring customers for solar energy cannot take a lot of stamina.
5. Don't take all your information material along with you: just offer to send it.

**Note: Satisfactory rating – 3 and above points , Unsatisfactory - below 3 points**





#### 4.1. Obtaining market research data

Marketing is the process used to determine what products or services may be of interest to customers, and the strategy to use in sales, communications and business development. It generates the strategy that underlies sales techniques, business communication, and business developments. Research is the process of gathering and analyzing data. The gathering data should not be too difficult but will take time. Obtaining market research data has a vital role in any type of business center. Marketing research can give a business a picture of what kinds of new products and services may bring a profit. For products and services already available, marketing research can tell companies whether they are meeting their customers' needs and expectations. By researching the answers to specific questions, small-business owners can learn whether they need to change their package design or tweak their delivery methods--and even whether they should consider offering additional services.

- **Marketing research**—The function that links the consumer, customer and public to the marketer through information that is used to identify and define marketing opportunities and problems, to generate, refine and evaluate marketing actions, to monitor marketing performance, and to improve understanding of the marketing process. To carry out marketing analysis, planning, implementation and control, managers need information. Information is not just an input for making better decisions, but also a marketing asset that gives competitive advantage of strategic importance. Competitors can copy each other's equipment, products and procedures, but they cannot duplicate the company's information and intellectual capital. All companies start small, knowing their customers personally. Managers picked up marketing information by meeting people, observing them and asking questions. However, with growth they need more and better information. When they become national or international in scope, they need more information on larger, more distant markets. As incomes increase and buyers become more selective, sellers need even better information about how buyers respond to different products and appeals. As sellers use more complex marketing approaches and face more competition, they need information on the effectiveness of their marketing tools. Finally, in today's rapidly changing environments, managers need up-to-date information to make timely



decisions. Despite this data glut, marketers frequently complain that they lack enough information of the right kind. For example, a recent survey of managers found that although half the respondents said they couldn't cope with the volume of information coming at them, two thirds wanted even more. The researcher concluded that 'despite the volume, they're still not getting what they want.' Thus, most marketing managers don't need more information; they need better information. Companies have greater capacity to provide managers with good information, but often have not made good use of it. Many companies are now studying their managers' information needs and designing information systems to meet those needs.

#### 4.2. Marketing Strategies

- Market segmentation
- Market targeting
- Differentiation and Positioning

After determining its overall marketing strategy, the seller is ready to begin planning the details of the marketing mix, one of the major concepts in modern marketing.

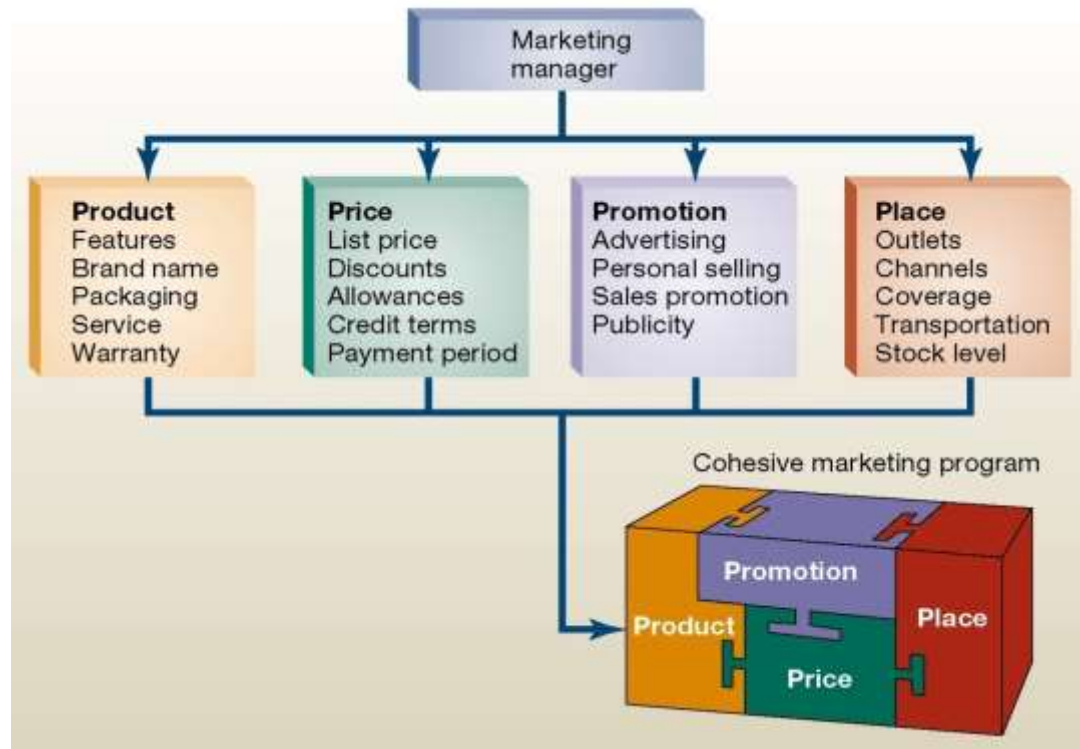
The marketing mix consists of everything the firm can do to influence the demand for its product.

#### 4.3. Reasons for conducting a Marketing research

The goal of doing market research is to equip yourself with the information you need to make informed business decisions on the **4Ps** (Product, Price, Placement and Promotion) of marketing activities listed below:

- **Product** — Improve your product or service based on findings about what your customers really want and need. Focus on things like function, appearance and customer service or warranties.
- **Price** — set a price based on popular profit margins, competitors' prices, financing options or the price a customer is willing to pay.
- **Placement** — Decide where to set up and how to distribute a product. Compare the characteristics of different locations and the value of points of sale (retail, wholesale, on line).

- **Promotion** — Figure out how to best reach particular market segments (teens, families, students, professionals, etc.) in areas of advertising and publicity, social media, and branding.



**Fig.2. Marketing mix**

#### 4.4. The Size of the Market

The first thing you must describe is your prospective market, including its size. You can assume that the reader of your business plan knows very little. Start with national and regional markets. After describing your market and your competition, your business plan can now define the share of the market you expect to capture. Describing your market share is not a highly scientific process but an informed evaluation based on your research. Identifying your market share leads your business plan into the area of finances—essentially you begin to make sales projections at this point. Failure to do market research before you begins a business venture or during its operation is like driving a car from Adama to Addis Ababa without a map or street signs. You have known which direction to travel and how fast to go. A good market research plan indicates where and who your customers are. It will also tell you when they are most likely and willing to purchase your goods or use your services.



When you conduct marketing research, you can use the results either to create a business and marketing plan or to measure the success of your current plan. That's why it's important to ask the right questions, in the right way, of the right people. Research, done poorly, can steer a business in the wrong direction.

**Self-check 4****Written test**

**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Marketing is the process used to determine what products or services may be of interest to customers.
2. Research is the process of gathering and analyzing data.
3. The goal of doing market research is to equip yourself with the information you need.
4. Obtaining market research data has a vital role in any type of business center.
5. When you describe your prospective market, don't include its size.

**Note:** Satisfactory rating – 3 and above points , Unsatisfactory - below 3 points

**Answer Sheet**

**Score =** \_\_\_\_\_

**Rating:** \_\_\_\_\_



Information sheet- 5	Obtain competitor analysis
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### 5.1 Obtaining competitor analysis

Competitor analysis in marketing and strategic management is an assessment of the strengths and weaknesses of current and potential competitors. Competitor analysis is an essential component of corporate strategy. It is argued that most firms do not conduct this type of analysis systematically enough. Instead, many enterprises operate on what is called “informal impressions, conjectures, and intuition gained through the tidbits of information about competitors every manager continually receives.” As a result, traditional environmental scanning places many firms at risk of dangerous competitive blind spots due to a lack of robust competitor analysis.

### 5.2 Competitor analysis

One common and useful technique is constructing a competitor array. The steps include:

- Define your industry - scope and nature of the industry
- Determine who your competitors are
- Determine who your customers are and what benefits they expect
- Determine what the key success factors are in your industry
- Rank the key success factors by giving each one a weighting - The sum of all the weightings must add up to one.
- Rate each competitor on each of the key success factors
- Multiply each cell in the matrix by the factor weighting.

To facilitate this process, develop a grid comparing each competitor’s attributes with those of your own. List your planned offerings at the bottom of the grid for comparison. Such a grid enables you to look at your competition, side-by-side, with your own business, and enhances your ability to identify gaps in service. Once you have gathered this information, you will be in a position to fine-tune your product or service offerings and begin to evaluate your potential market share. Time spent on this evaluation is well invested, because lack of thoroughness can have a compounding effect as you begin to forecast sales later on in your business plan.



### 5.3 Pitfalls (Drawbacks)

- Initial Product or Service Offering Too Broad
- Proposing too many products or services will leave your business unfocused, with the risk of facing many more specialized competitors in the marketplace.
- Underestimating the Competition
- Failure to identify all relevant competitors will lead to false assumptions in market share and pricing, which could have devastating effects.
- Overestimating Your Own Competitive Strength

Over-optimistic projections about your new product or service and customers' reaction to it, compared with that of your competition, can lead to the downfall of an otherwise great idea. Remember, intangibles such as customer “good will,” brand fidelity, length of operation in an area, management experience and friendships. If you are trying to replace an existing contractor, you must be fully able to compete over the long term.

- **Failure to Modify Your Plan**

If you neglect to make adequate changes to your initial plan based on findings in your SWOT analysis, your business may be doomed before you start. Your competition is likely to respond by introducing similar features to their own products or contracts, so you must emphasize in your plan features they cannot imitate — especially quality of product and service. Potential problems can be avoided by being attentive to detail while remaining flexible as you conducts your analysis. On the one hand, be sure to identify and document your competition as it exists; on the other, look for opportunities and take advantage of them where possible.



Self-check 5	T/F
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Competitor analysis is an essential component of corporate strategy.
2. Proposing too many products or services will leave your business unfocused.
3. Potential problems cannot be avoided by being attentive to detail.

**Note:** Satisfactory rating – 2 and above points , Unsatisfactory - below 2 points

**Answer Sheet**





## Information sheet - 6

## Develop/ review market position

### 6.1. Developing/ reviewing market position

There are different definitions of brand positioning, probably the most common is: identifying and attempting to occupy a market niche for a brand, product or service utilizing traditional marketing placement strategies (i.e. price, promotion, distribution, packaging, and competition). Positioning is also defined as the way by which the marketers attempt to create a distinct impression in the customer's mind. A product's position is the way the product is defined by consumers on important attributes - the place the product occupies in consumers' minds relative to competing products. A firm's competitive advantage and its product's position can be quite different. A competitive advantage is the strength of a company, while a product's position is a prospect's perception of a product. A competitive advantage, like low costs or high quality, could influence a product's position, but in many cases it is not central to it. Consumers are overloaded with information about products and services. They cannot re-evaluate products every time they make a buying decision. To simplify buying decision making, consumers organize products into categories - that is, they 'position' products, services and companies in their minds. A product's position is the complex set of perceptions, impressions and feelings that consumers hold for the product compared with competing products. Consumers position products with or without the help of marketers. But marketers do not want to leave their products' positions to chance. They plan positions that will give their products the greatest advantage in selected target markets, and they design marketing mixes to create these planned positions. Positioning was popularized by advertising executives. They saw it as a creative exercise done with an existing product: Positioning starts with a product, a piece of merchandise, a service, a company, an institution or even a person ... But positioning is not about what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position products in the mind of the prospect. They argue that current products generally have a position in the minds of consumers. According to Ries and Trout, there are three positioning alternatives;

- The first strategy they suggest is to strengthen a brand's current position in the mind of consumers.
- Their second strategy is to search for a new unoccupied position that is valued by enough consumers and grab it.
- Their third strategy is to deposition or reposition the competition.



## **6.2. Choosing and Implementing a Positioning Strategy**

Some firms find it easy to choose their positioning strategy. For example, a firm well known for quality in certain segments will go for this position in a new segment if there are enough buyers seeking quality. In many cases, two or more firms will go after the same position.

Having identified a set of possible competitive advantages upon which to build a position, the next stages are to select the right competitive advantages and effectively communicate the chosen position to the market.



Self –check 6	T/F
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. A market is simply any group of actual or potential buyers of a product.
2. A competitive advantage, like low costs or high quality, could influence a product's position.
3. Positioning starts with a product, a piece of merchandise, a service, a company, an institution or even a person.

**Note:** Satisfactory rating – 2 and above points , Unsatisfactory - below 2 points

**Answer Sheet**

**Score =** \_\_\_\_\_

**Rating:** \_\_\_\_\_



<b>Information sheet- 7</b>	<b>Developing practice brand</b>
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## 7.1 Developing practice brand

If you are ready to brand yourself or your business, you need to have a clear understanding of what developing a brand actually involves before you really get started. Your brand-development process should always follow these major steps:

- Decide what you're going to brand.
- Are you branding a product, a service, a company, or an individual?
- Do your research.
- First, find out everything there is to know about your market. Then, find out everything there is to know about your product or service.
- Position your product or service.
- Find and win a place for your offering in the marketplace and in consumers' minds by providing unique solutions to problems or needs that aren't already being addressed by competing products.
- Write your brand definition.

Your brand definition describes what you offer, why you offer it, how your offering is different and better, what unique benefits your customers can count on and what promise or set of promises you make to all who work with and buy from your business.

- Develop your name, logo, and tagline.

Your name is the key that unlocks your brand image in your consumer's mind. Your logo is the brand-mark or symbol that serves as the face of your brand. Your tagline is the memorable phrase that provides consumers with a quick indication of your product, brand, and market position.

- Launch your brand.

Your brand goes public when you unveil your name, logo, and slogan, and when you begin to tell your market the story of how your brand reflects what you stand for.



- Manage, leverage, and protect your brand.

This is the “care and feeding” phase of the branding process; it’s the step that leads to a strong, healthy, resilient brand. Just like good parenting, good branding management can be summed up in a single word — consistency.

- Realign your brand to keep it current.

Occasionally, you can (and should) change how your brand is presented. From time to time, you need to update your brand presentation (the face of your brand) to keep it relevant to the market in which it lives.

**Self-check 7****Written test**

**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Branding is not a powerful motto for any business.
2. The branding “action plans” often do not mention a strategy.
3. The best-practice branding efforts typically succeed in answering the question.

**Note:** Satisfactory rating – 2 and above points , Unsatisfactory - below 2 points

**Answer Sheet**

**Score =** \_\_\_\_\_

**Rating:** \_\_\_\_\_



Information sheet- 8	Identify benefits of products or services
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### 8.1 Identifying benefits of products or services

The distinction between the terms benefits and features are an important concept in developing and marketing a product or service. Features are characteristics that your product or service does or has. For example, some ovens include features such as self-cleaning, smooth stovetops, warming bins, or convection capabilities. Benefits are the reasons customers buy the product or service. For example, the benefits of some ovens to buyers include safety, ease of use, affordability, or—in the case of many ovens that feature stainless steel casings—prestige.

Just like products, services differ from one another in having distinctive features and benefits, though these differences may not always be so obvious to potential customers. One building contractor may use master painters while a second uses laborers to paint. Both will tell you they do painting, but one has master painters (a feature) and produces a better-looking paint job (a definite benefit).

### 8.2 Market positions should include data on:

- product:
- the good or service provided
- product mix
- the core product - what is bought
- the tangible product - what is perceived
- the augmented product - total package of consumer features/benefits
- product differentiation from competitive products
- new/changed products
- price:
- pricing strategies
- cost plus
- supply and demand
- ability to pay
- pricing objectives



- profit
- market penetration
- cost components
- place:
- market position
- distribution strategies
- marketing channels
- promotion:
- promotional strategies
- target audience
- communication
- promotion budget.

**Practice brand may include:**

- AIDA (attention, interest, desire, action)
- Attention
- Interest
- Desire
- Action
- facility decor
- phone answering protocol
- practice image
- practice logo, letterhead and signage
- slogans
- style guide
- templates for communication and invoicing
- writing style.



**Benefits may include:**

- benefits as perceived by the client
- features as perceived by the client

**Promotion tools include:**

- advertising
- brochures
- direct mail
- networking and referrals
- newsletters
- print
- electronic
- press releases
- publicity and sponsorship
- seminars
- telemarketing and cold calling
- websites.

**Yield per existing client may be increased by methods including:**

- packaging fees
- raising charge out rates/fees
- reducing discounts
- selling more services to existing

**Self-check 8****Written test**

**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. The uniqueness of a product or service can set it apart from the competition.
2. Benefits are the reasons customers buy the product or service.
3. Features are characteristics that your product or service does or has.
4. Market position should include data on product mix.

**Note:** Satisfactory rating – 2 and above points, Unsatisfactory - below 2 points

**Answer Sheet**

**Score =** \_\_\_\_\_

**Rating:** \_\_\_\_\_



## **9.1 Introduction**

The market for stand-alone systems is not only limited to rural areas of developing countries and buildings off the grid in developed countries, but also lends itself to small systems such as signage lighting and street furniture in urban centers where it can prove cheaper than extending the grid. PV can also be integrated within power back up systems, especially where power outages are frequent and can last several hours. The PV global market, at the time of writing, is significantly more than 2000 MWp annually (modules produced) and growing at a rate of about 25 per cent per annual.

Promotion is any form of communication that:

- informs your potential customers that you have a product or service,
- convinces them that this product or service meets their needs, and
- persuades them to purchase it.

## **9.2 Selecting and developing Promotion tools**

Modern marketing calls for more than just developing a good product, pricing it attractively, and making it available to target customers. Companies must also communicate with their customers, and what they communicate should not be left to chance. To communicate well, companies often hire advertising agencies to develop effective ads, sales promotion specialists to design sales-incentive programmes, direct-marketing specialists to develop databases and interact with customers and prospects by mail and telephone, and public relations firms to develop corporate images. They train their sales people to be friendly, helpful and persuasive.

For most companies, the question is not whether to communicate, but how much to spend and in what emery's. A modern company manages a complex marketing communications system. The company communicates with its intermediaries, consumers and various publics. Its intermediaries communicate with their consumers and publics. Consumers have word-of-mouth communication with each other and with other publics. Meanwhile, each group provides feedback to every other group. A company's total marketing communications mix - called its promotion mix. Promotion mix consists of the specific blend of advertising, personal selling,



sales promotion and public relations tools that the company uses to pursue its advertising and marketing objectives. Let us define the four main promotion tools:

### 9.3 Promotion mix:

Promotion mix is specific mix of advertising, personal selling, sales promotion and public relations that a company uses to pursue its advertising and marketing objectives.

- **Advertising:** Any paid form of non personal presentation and promotion of ideas, goods or services was by an identified sponsor.
- **Personal selling:** Oral presentation in a conversation with one or more prospective purchasers for the purpose of making sales and building customer relationships.
- **Sales promotion:** Short-term incentives to encourage the purchase or sale of a product or service.
- **Public relations:** Building good relations with the company's various publics by obtaining favorable publicity, building up a good 'corporate image', and handling or heading off unfavorable rumors, stories and events.

### 9.4 Promotional Strategy

The first step in promoting your business is to identify your customers. The second is to develop a promotional strategy and express it in the form of a list of goals you expect to achieve. Objectives should be in quantitative terms whenever possible. Third, each aspect of your promotional campaign should be measured against these objectives. Evaluating the effectiveness of the various components of your promotional strategy is an important but often difficult task.

**A comprehensive statement of your goals should also include the following.**

- Establish and/or Expand Your Customer Base

How does the proposed strategy ensure that potential customers will become aware of your product or service? How many new customers will be reached?



- Differentiate Your Product or Service

How does the promotional activity make your product or service look unique, different from that offered by your competitors? Emphasize factors such as price, hours of operation, and personalized customer service/

- Influence People to Become Customers

Does the promotional activity provide a specific, identifiable incentive for the prospective customer to purchase?

- Build Goodwill

Does this promotional activity build your reputation as a good citizen and establish a positive image for your business?

**Self-check - 9****T/F**

**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. The first step in promoting your business is to identify your customers.
2. The **Promotional Planning** is a process of optimizing the utilization of marketing tools.
3. The market for stand-alone systems is only limited to rural areas.

**Note:** Satisfactory rating – 2 and above points, Unsatisfactory - below 2 points

**Answer Sheet****Score =** \_\_\_\_\_**Rating:** \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_\_



<b>Operation Sheet-1</b>	<b>Procedures of Conducting market research</b>
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**Techniques for- Conducting market research**

Step 1- **Identify and Define the Problem**

Step 2- State Objectives of Research

Step 3- Plan the Research Design or Design the Research Study

Step 4- Plan the Sample

Step 5- Collection data

Step 6- Data Process and Analysis

Step 7 - Formulate Conclude, Prepare and Present the Report

<b>Operation Sheet-2</b>	<b>Procedures for identifying target market</b>
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**Techniques for- identifying target market**

**Step One:** Identify the Problems You Solve

**Step Two:** Check Out Your Current Customer Base

**Step Three:** Research the Competition

**Step Four:** Decide on Specific Demographics to Target

**Step Five:** Take Account of Your Target Market's Psychographics

**Step Six:** Evaluate



<b>Operation Sheet-3</b>	<b>Procedures for promotional tool</b>
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**Techniques for- preparing promotional tool**

**Step 1- Identifiy and Define the Problem**

**Step 2- Establish and state Objectives**

**Step 3- Design of promotional mix**

**Step 4- Plan sales promotion program**

**Step 5- perform pre test**

**Step 6- Implement the activity**

**Step7 – Monitor and evaluate the overall progress**





LAP Test 1	Practical Demonstration
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Name: \_\_\_\_\_ Date: \_\_\_\_\_

Time started: \_\_\_\_\_ Time finished: \_\_\_\_\_

**Instructions: Given** necessary templates, tools and materials you are  
required to perform the following tasks within 3-4 hour.

**Task 1.** - identify target market

**Task 2.** Prepare promotional tool



### List of references

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# **Solar PV System Installation and Maintenance**

**NTQF LEVEL -III**

## **LEARNING GUIDE -73**

<b>UNIT OF COMPETENCE:</b>	<b>IMPROVE BUSINESS PRACTICE</b>
<b>MODULE TITLE:</b>	<b>IMPROVING BUSINESS PRACTICE</b>
<b>LG CODE:</b>	<b>EIS PIM3 M17 LO5 LG-73</b>
<b>TTLM CODE:</b>	<b>EIS PIM3 TTLM 0920V1</b>

### **LO5: Develop business growth plans**



<b>Instruction Sheet</b>	<b>Learning Guide 73</b>	T hi
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s learning guide is developed to provide you the necessary information regarding the following content coverage and topics –

- Developing and agreeing an action plan
- Reviewing business work practices
- Planning to add new clients

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 Plan to increase profitability
- Plan to add new clients
- Rank propose plans according to agreed criteria
- develop and agree an action plan to implement the top ranked plans.
- Review business work practices to ensure growth 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
5. If you earned a satisfactory evaluation from the “Self-checks” proceed to “Operation Sheets,
6. Do the “LAP test



Information sheet - 1	Planning to increase yield per existing client
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### 1.1. Develop Plan to increase profitability

Successful development of a growing and profitable customer base is a critical requirement for business survival in a highly competitive and economically challenging market environment. Unfortunately, most companies lack an integrated approach to both attract and retain profitable new customers and maximize revenue and profitability from existing ones. This paper discusses tools and techniques that can be used to create a practical process that focuses on improving the financial results from all customer groups through:

- Reducing churn
- Identifying needs by segment
- Optimizing customer loyalty drivers
- Incorporating customer requirements into operating processes
- Creating a customer-focused value proposition
- Measuring and managing the Total Customer Experience
- Increasing share of wallet

Each of these tools can be used individually and quite often are. However, when used in combination to create an enterprise-wide, holistic view of revenue and profit opportunities in prospective and existing customers, they produce a customer-focused operating framework that improves marketplace performance and business results.

#### 1.1.1. Don't Churn Away your Revenue and Profits

An existing customer base contains real growth potential, but many companies fail to realize its full potential. Often, more energy goes into attracting new customers than looking after current ones. However, it is generally recognized that the longer a customer stays with a company, the more that customer is worth. Long-term customers buy more, take less of a company's time, are less sensitive to price, and bring in new customers. Best of all, they have no acquisition or start-up cost. Good long-standing customers are worth so much that in some industries, reducing customer defections by as little as five points from, say, 15% to 10% per year-can double profits.



“Churn” relates to both customers’ defections and to the loss of value from customers who remain. So “churn rate” refers, on the one hand, to the percentage of customers who end their relationship with your company or, on the other hand, to the customers who still use your products or services, but in less volume or not as often as they used to. The difficult challenge in developing effective approaches to reducing both kinds of churn is to be able to identify predictors of each type of churn and take corrective actions to address the problem

- **Predict Customer Defections and Reduced Purchasing**

Most companies have large amounts of data on customer purchasing behavior, although it is frequently in several different databases. Fortunately, technology is available to merge these disparate sources of data and provide the necessary predictors of churn.

- **Predictive Analytics**

Predictive analytics is data mining technology that uses your customer data to build a predictive model specialized for your business. This process learns from your organization's collective experience by leveraging your existing logs of customer purchases, behavior, and demographics. The wisdom gained is encoded as the predictive model itself. Predictive modeling software has computer science at its core, undertaking a mixture of number crunching and trial and error.

A predictive model tells you which new customers are likely to return and which are probably one-timers. The model is created with data mining methods that "learn" from the collective experience of your company contained in your sales records. The model then applies what has been learned to produce a predictive score for each new customer in real time.



In this way, new customers you would otherwise never see again are targeted and enticed to stay. Because you don't waste the retention offer on new customers likely to return, the numbers work out very well. The growth rate and medium-term profits potentially skyrocket, and immediate-term profits are not put at risk.

- **Another Useful Tool is Customer Churn Trend Analysis**

Customer churn trends can be analyzed with time-series analytic tools. These tools can identify trends of customer segments in various ways: geographic, demographic, psychographic factors, and others. Typical sales trend analysis includes:

- Which customer segments are having highest growth in dollar terms?
- Which customer segments are having highest revenue decline in dollar terms?
- Which customer segments are having highest growth rates in percentage terms?
- Which customer segments are having highest revenue decline rates in percentage terms?
- How solid the growth (or decline) trend is?
- Which customer segments are showing exponential growth (or decline)?

Once churn detection models are developed, they can be applied to your customer databases on a regular basis. This will let you identify customers who have potential for defection but have not been contacted for retention purposes recently. Preventive actions can be followed for customers who have been identified as potentially at risk of either defecting or reducing purchase volume.

### **1.1.2. Use Segmentation to Grow Your Customer Base**

Segmentation is a well-known and widely-used marketing practice used to identify prospects and customers who are similar in terms of specific criteria and different from other prospects and customers in terms of these same criteria. These similarities and differences allow the customers and prospects to be segmented into distinct groups. Unfortunately many companies take an overly simplistic a priori approach and end up with segments that are not maximally differentiated.



Self check 1	True/false
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Churn relates to both customers' defections and to the loss of value from customers who remain.
2. Segmentation is not a well-known and widely-used marketing practice.
3. Customer churn trends cannot be analyzed with time-series analytic tools.
4. Predictive analytics is data mining technology that uses your customer data to build a predictive model specialized for your business.
5. Most companies lack an integrated approach to both attract and retain profitable new customers and maximize revenue and profitability from existing ones.

**Note:** Satisfactory rating – 3 and above points , Unsatisfactory - below 3 points

### Answer Sheet

Score = \_\_\_\_\_

Rating: \_\_\_\_\_





## Information sheet - 2

## Plan to add new clients

### 2.1 Planning to add new clients

If you want to grow your business, you must target potential new customers and do so knowing that your competitors are targeting the same group. In fact, most business owners quickly realize that half their efforts must be geared toward attracting potential new customers because there are so many options for buyers. Your business's marketing plan is the key aspect of appealing to potential clients for your business. However, to make a sale, you must prepare extensively, develop a detailed plan to target potential new customers and execute that plan in a diligent manner.

Every business needs new customers, but don't ever forget that your easiest and most predictable source of new revenue is right under your nose: It comes from the loyal customers who already know your company. Acquiring new customers is expensive (five to ten times the cost of retaining an existing one), and the average spent of a repeat customer is a whopping 67 percent more than a new one. So, sure, put some energy into new business development, but make sure your sales people know that coming up with creative ways to sell more to your current customers is just as important.

### 2.2 How to Find New Customers and Increase Sales

How to better understand your target audience, generate new sales leads, and focusing on getting more revenue from existing customers.

- **Advertisement**

In a perfect world, you would have an unlimited budget to market your business in order to find new customers and increase sales. You could buy lots of online and offline advertising, run promotions to build traffic in store and online, and launch a proactive public relations campaign to increase your product or brand's visibility and awareness. But this isn't a perfect world. Realistically, most small businesses and even many mid-sized firms have more great ideas on how to peddle their wares than available resources.

### 2.3 How to Find New Customers and Increase Sales: Understand Your Target



## Audience

Before you can find new customers and increase sales; you need to understand who your customer is, what value proposition you offer to customers, and what your competition is currently offering in the market and where there are gaps for a new entrant. In other words, you need to do some market research -- whether that means hiring an outside firm to do the legwork or trying to do it yourself. There's an underlying disconnect between your motivation to increase sales and your customer's motivation to solve their problems. "Attracting more customers is really about listening to their needs, not being a solution looking for a problem," says Paige Arnof-Fenn, founder and CEO of Mavens & Moguls, a strategic-marketing consulting firm whose clients include Fortune 500 companies as well as early stage and emerging businesses. "There are many existing problems out there that need to be solved that customers are willing to pay for today."

Certain products and services may appeal to one audience but not to another, so understanding the strengths, weaknesses, opportunities and threats in your target market is critical. You can get to know your customers and segment the market any number of ways including by:

- **Demographics** -- statistical data on a population including income levels, age, etc.
- **Psychographics** -- the attitudes and tastes of a certain demographic.
- **Ethno graphics** -- examination of particular cultures.
- **Buying habits** -- how, what and where customers purchase products and services.

## 2.4 How to Find New Customers and Increase Sales: Defining the Market for Your Product

Use the information about your existing customers to develop a target audience for your business in its drive to win new customers and increase sales. "While there are core customers you are trying to reach, often there are other markets that are also important to address," Arnof-Fenn says. "Make sure you know who the gatekeepers and influencers are; they will affect the decision makers and you will most likely need to sell to them differently than to the end user." For example, parents might be the gatekeepers for products targeted to children or technology managers might hold influence over a company's decision to invest in new software.



<b>Self check 2</b>	<b>Written Test</b>
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**Directions:** Match the following questions from column “B” to

Column “A”

<b>A</b>	<b>B</b>
1. Demographics	A. find new customers and increase sales.
2. Psychographics	B. examination of particular cultures.
3. Ethnographics	C. the attitudes and tastes of a certain demographic.
4. Buying habits	D. how, what and where customers purchase products and services.
5. Advertisement	E. statistical data on a population including income levels

**Note: Satisfactory rating – 3 and above points, Unsatisfactory - below 3 points**

### Answer Sheet

**Score =** \_\_\_\_\_

**Rating:** \_\_\_\_\_



### **3.1 Ranking proposed plans**

There are so many different things that you can do to make your business better. One way to make your business better is to have an action plan in place. If you want to implement an action plan but don't know how, here are some tips on how to implement an action plan so that your business can run smoother. The first tip on how to implement an action plan is to have to have training on action plans and how you are going to implement on into your business. This is a great way to help educate your employees so that they will fully understand what exactly an action plan is and how it is going to benefit the company as a whole.

The second tip on how to implement an action plan is to have every person in charge of a different area of the action plan. This will help everyone to get involved in the action plan and they will all feel like their job is making a difference in how the business works. The third tip on how to implement an action plan is to find out the different things that are needed for your business and even ask you employees what they think needs to change in the business. This will help you get an idea of how your employees feel about certain things in your business and will give you an idea of different things need to change or how things could be different to help your business be improved. The fourth tip on how to implement an action plan is to set up different strategies that you think can help your business be better and then measure their success. Then try out the next strategy and so forth. This will give you an idea on what action plans work and which ones don't. Once you have figured out which ones do better than others then you can start to figure out how to implement them into an action plan. The fifth tip on how to implement an action plan is to first make a list of everything that needs to be done. Once you have figured out which things need to be done then you can go down the list and figure out your action plan. Once you have figured out your action plan then you can decide how to implement the action plan. Sometimes taking things step by step you will be able to make more sense out of certain things and be able to think out ways that you can implement an action plan that can work for your business and not against it. These are just some of the tips on how to implement an action plan. There are a lot of other ways that you can research on how to implement an action plan. You just need to decide what different action your company needs to take to make it



better and then decide which different action plans are going to work for your company. To find different ways on how to implement an action plan you can go online or go to different seminars where you can learn different techniques that you can use to improve your business. You can also go to different workshops that are offered that can teach you how to implement an action plan. You just need to make sure that you keep in mind your businesses needs. You don't want to get hooked on an action plan that is not going to make your business better. So find out what action plan works for you and then learn how to implement an action plan so your business can be the best it can be.

### **3.2 Developing Action Plans (or Work Plans)**

- Actions plans specify the actions needed to address each of the top organizational issues and to reach each of the associated goals, who will complete each action and according to what timeline.
- Develop an overall, top-level action plan that depicts how each strategic goal will be reached.
- Develop an action plan for each major function in the organization, e.g., marketing, development, finance, personnel, and for each program/service, etc. These plans, in total, should depict how the overall action plan will be implemented. In each action plan, specify the relationship of the action plan to the organization's overall, top-level action plan.
- Ensure each manager (and, ideally each employee) has an action plan that contributes to the overall. These plans, in total, should depict how the action plans of the major functions will be implemented. Again, specify the relationship of these action plan to the organization's overall, top-level action plan.



<b>Self-check 3</b>	<b>Written test</b>
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. One way to make your business better is to have an action plan in place.
2. Training on how to implement an action plan is not much important.
3. You don't want to get hooked on an action plan that is not going to make your business better.

**Note:** Satisfactory rating – 2 and above points, Unsatisfactory - below 2 points

### Answer Sheet



#### **4.1. What is an action plan?**

In some ways, an action plan is a "heroic" act: it helps us turn our dreams into a reality. An action plan is a way to make sure your organization's vision is made concrete. It describes the way your group will use its strategies to meet its objectives. An action plan consists of a number of action steps or changes to be brought about in your community.

Each action step or change to be sought should include the following information:

- What actions or changes will occur
- Who will carry out these changes
- By when they will take place, and for how long
- What resources (i.e., money, staff) are needed to carry out these changes
- Communication (who should know what?)

#### **4.2. What are the criteria for a good action plan?**

The action plan for your initiative should meet several criteria.

##### **Is the action plan-**

- Complete? Does it list all the action steps or changes to be sought in all relevant parts of the community (e.g., schools, business, government, faith community)?
- Clear? Is it apparent who will do what by when?
- Current? Does the action plan reflect the current work? Does it anticipate newly emerging opportunities and barriers?

#### **4.3. Why should you develop an action plan?**

There is an inspirational motto that says, "People don't plan to fail. Instead they fail to plan." Because you certainly don't want to fail, it makes sense to take all of the steps necessary to ensure success, including developing an action plan. There are lots of good reasons to work out the details of your organization's work in an action plan, including:

- to lend credibility to your organization. An action plan shows members of the community (including grant makers) that your organization is well ordered and dedicated to getting things done.



- to be sure you don't overlook any of the details
- to understand what is and isn't possible for your organization to do
  - ✓ For efficiency: to save time, energy, and resources in the long run
  - ✓ For accountability: To increase the chances that people will do what needs to be done

#### **4.4. When should you create an action plan?**

Ideally, an action plan should be developed within the first six months to one year of the start of an organization. It is developed after you have determined the vision, mission, objectives, and strategies of your group. If you develop an action plan when you are ready to start getting things done, it will give you a blueprint for running your organization or initiative. Remember, though, that an action plan is always a work in progress. It is not something you can write, lock in your file drawers, and forget about. Keep it visible. Display it prominently. As your organization changes and grows, you will want to continually (usually monthly) revise your action plan to fit the changing needs of your group and community.

#### **4.5. How to write an action plan**

If you have been using the VMOSA (Vision, Mission, Objectives, Strategies, Action Plans) model, you might have already done this, when you were deciding upon your group's objectives. Again, try to be inclusive. Once everyone is present, go over your organization's:

- Vision
- Mission
- Objectives
- Strategies
- Targets and agents of change
- Proposed changes for each sector





#### **4.6. Develop an action plan composed of action steps that address all proposed changes.**

The plan should be complete, clear, and current. Additionally, the action plan should include information and ideas you have already gathered while brainstorming about your objectives and your strategies. What are the steps you must take to carry out your objectives while still fulfilling your vision and mission? Now it's time for all of the VMOSA components to come together. While the plan might address general goals you want to see accomplished, the action steps will help you determine the specific actions you will take to help make your vision a reality.



**Self-check 4**

**Written test**

**Answer the following questions**

**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. An action plan is a way to make sure your organization's vision is made concrete.
2. An action plan is not always a work in progress.
3. People don't plan to fail. Instead they fail to plan.

**Note:** Satisfactory rating – 2 and above points, Unsatisfactory - below 2 points

**Answer Sheet**

**Score =** \_\_\_\_\_

**Rating:** \_\_\_\_\_



### **5.1. Reviewing business work practices**

Once your business is established and running well, you may be inclined to let things continue to run as they are. However, it's actually time to plan again. After the crucial early stages, you should regularly review your progress, identify how you can make the most of the market position you've established and decide where to take your business next. You will need to revisit and update your business plan with your new strategy in mind and make sure you introduce the developments you've noted. This guide takes you through this essential process, detailing the stages you should go through to assess how well your business is performing, highlighting your strengths and areas that could be improved and suggesting the actions you need to take to implement the improvements that you've identified. During reviewing business work practices, the following points will be taking into consideration.

- Why it's vital to review the progress of your business
- Assess your core activities
- Assess your business efficiency
- Review your financial position
- Conduct a competitor analysis
- Conduct a customer and market analysis
- Use your review to redefine your business goals
- Models for your strategic analysis
- Breaking down your strategic review

### **5.2. Why it's vital to review the progress of your business**

It's easy to focus only on the day-to-day running of your business, especially in the early stages. But once you're up and running, it can pay dividends to think about longer-term and more strategic planning. This is especially true as you take on more staff, create departments within the business, appoint managers or directors and become distanced from the everyday running of the business.

Reviewing your progress will be particularly useful if you feel:

- uncertain about how well the business is performing



- unsure if you're getting the most out of the business or making the most of market opportunities
- your business plan may be out of date, e.g. you haven't updated it since you started trading
- your business is moving in a direction different to the one you had planned
- the business may be becoming unwieldy or unresponsive to market demands
- It is also useful if you have decided that your company is ready to move on to another level.

### **Setting the direction:**

A clear business strategy will help to answer any concerns and show practical ways forward.

Questions you might want to ask include:

- What's my direction? To answer this you need to look at where you are now, where you want to go over the next three to five years and how you intend to get there.
- What are my markets - now and in the future? Which markets should I compete in, how will they change and what does the business need in order to be involved in these sectors?
- How do I gain market advantage? How can the business perform better than the competition in my chosen markets?
- What resources do I require to succeed? What skills, assets, finance, relationships, technical competence and facilities do I need to compete? Have these changed since I started?
- What business environment am I competing in? What external factors may affect the business' ability to compete?
- How am I measuring success? Remember, measures of performance may change as your business matures.

It's doubtful whether you will be able to answer these questions on your own - involving your professional advisers, your fellow directors and your senior staff will all help to make your review more effective.



Self-check 5	Writing test
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### Answer the following questions

**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. You will need to revisit and update your business plan with your new strategy in mind.
2. It's easy to focus only on the day-to-day running of your business.
3. During reviewing business work practices, first it is important to know why it's vital to review the progress of your business.

**Note:** Satisfactory rating – 2 and above points, Unsatisfactory - below 2 points

### Answer Sheet

Score = \_\_\_\_\_

Rating: \_\_\_\_\_



<b>Operation Sheet- 1</b>	<b>Procedures for preparing action plan</b>
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**Techniques for-preparing Action plan**

**Step 1-** Define the Problem(s)

**Step 2-** Collect and Analyze the Data

**Step 3-** Clarify and Prioritize the Problem(s)

**Step 4-** Write a Goal Statement for Each Solution

**Step 5-** Implement Solutions: The Action Plan

**Step 6-** Monitor and Evaluate

**Step 7-** Restart with a New Problem, or Refine the Old Problem



LAP Test 1	Practical Demonstration
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Name: \_\_\_\_\_ Date: \_\_\_\_\_

Time started: \_\_\_\_\_ Time finished: \_\_\_\_\_

**Instructions: Given** necessary templates, tools and materials you are required to perform the following tasks within 3-4 hour.

**Task 1.** prepare Action plan



## List of References

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# **Solar PV System Installation and Maintenance NTQF LEVEL -III**

## **LEARNING GUIDE -74**

<b>UNIT OF COMPETENCE:</b>	<b>IMPROVE BUSINESS PRACTICE</b>
<b>MODULE TITLE:</b>	<b>IMPROVING BUSINESS PRACTICE</b>
<b>LG CODE:</b>	<b>EIS PIM3 M17 LO4 LG-74</b>
<b>TTLM CODE:</b>	<b>EIS PIM3 TTLM 0920V1</b>

### **LO6: Implement and monitor plans**



This learning guide is developed to provide you the necessary information regarding the following content coverage and topics –

- Monitor implementation
- Develop implementation plan
- Relevant stakeholders

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 –

- Relevant stakeholders
- Developing implementation plan.
- Agreeing success indicators.
- Monitoring implementation.
- Adjusting implementation

**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
5. If you earned a satisfactory evaluation from the “Self-checks” proceed to “Operation Sheets,
6. Do the “LAP test



### **1.1. Stakeholder Identification and Analysis**

The first step in the process of stakeholder engagement is stakeholder identification—determining who your project stakeholders are, and their key groupings and sub-groupings. From this flows stakeholder analysis, a more in-depth look at stakeholder group interests, how they will be affected and to what degree, and what influence they could have on your project. The answers to these questions will provide the basis from which to build your stakeholder engagement strategy. Stakeholder identification and analysis can be a challenging exercise. It is at times not sufficient to focus only on the communities and other stakeholders that are actually impacted by the project, but also those who may perceive that they are adversely impacted or who consider themselves the representatives of impacted people.

### **1.2. Verify stakeholder representatives**

Identifying stakeholder representatives and consulting with and through them can be an efficient way to disseminate information to large numbers of stakeholders and receive information from them. When working to determine representatives, however, there are a number of factors worth considering. First, try to ensure that these individuals are indeed true advocates of the views of their constituents, and can be relied upon to faithfully communicate the results of engagement with the project company back to their constituents. One way to do this is to seek verification that the right representatives have been engaged, by talking directly to a sample of project-affected people. Ground-truthing the views of the designated representatives in this way can help highlight any inconsistencies in how stakeholder views are being represented.

### **1.3. Five Steps for Iterative Consultation**

The iterative nature of the consultation process is essential. Regardless of what stage of the project consultation is taking place, the basic steps in the process will essentially remain the same and can be repeated as needed over the life of the project.

- **Plan ahead**

Before beginning a stakeholder consultation process, it is useful to think about who needs to be consulted, over what topics, and for what purpose? Getting clear answers for these questions up



front can save you time, reduce costs, and help keep expectations in check. For projects with multiple stakeholder groups and issues, preparing a more formal Stakeholder Engagement Plan in advance is advisable.

For simpler projects and project expansions, it may be sufficient to verify that certain key questions have been considered. These may include the following:

- **Purpose** – What are the strategic reasons for consulting with stakeholders at this particular phase of the project?
- **Requirements** – Are there requirements for consultation that need to be met at this stage of the process?
- **Stakeholders** – Who are the key stakeholder groups that need to be consulted during this phase of the project?
- **Scoping of priority issues** – Are there any high risk groups or issues requiring special attention at this stage?
- **Techniques** – Which techniques and methods will be most effective in communicating with the different stakeholder groups?
- **Responsibilities** – Who within the company (or externally) is responsible for what activities?
- **Documentation** – How will the results of the process be captured, recorded, tracked, and disseminated?

#### 1.4. Consult using basic principles of good practice

There is no one right way of undertaking consultation. Given its nature, the process will always be context-specific. This means that techniques, methods, approaches and timetables will need to be tailored for the local situation and the various types of stakeholders being consulted.

#### 1.5. Incorporate feedback

Consulting people entails an implicit “promise” that, at a minimum, their views will be considered during the decision-making process. This does not mean that every issue or request must be acted upon, but it does mean being clear with people about which aspects of the project are still open to modification based on their input, and which are not.



### **1.6. Document the process and results of consultation**

Documenting consultation activities and their outcomes is critical to effectively managing the stakeholder engagement process. When and where did such meetings take place? With whom? Around what topics and themes? And with what results? If commitments to stakeholders have been made during or as a result of these consultations, these too need to be documented.

### **1.7. Report back**

Communities sometimes express frustration that companies show up on their doorstep to consult on an issue and then are not heard from again – or at least not until the next time they come, and that too about a totally different matter. It is both good practice and common courtesy to follow up with stakeholders whom you consulted, to let them know what has happened and what the next steps in the process will be.

### **1.8. Agreed Indicators of Success of The Plan**

Planning is mandatory for business success. Fail to plan and your plan to fail. Planning is difficult because there is no immediate feedback as to its value. But if you think of starting and operating your business in the same way you might think about climbing a mountain, the purpose and advantages of planning become clearer. When you start up the mountain you never know what to expect: sudden change in weather, lost or broken equipment, mistakes in maps, an injury. Planning for these eventualities will allow you to deal with them and still reach your objective in spite of temporary setbacks. On the other hand, lack of planning can spell disaster. The more careful the planning, the more likely problems will be anticipated and not allowed to interfere with your ultimate business objective.



<b>Self check 1</b>	<b>Writing test</b>
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Stakeholder identification and analysis can be a challenging exercise.
2. The iterative nature of the consultation process is essential for business improvement..
3. Planning is not mandatory for business success.
4. Documenting consultation activities and their outcomes is critical to effectively managing the stakeholder engagement process.
5. Before beginning a stakeholder consultation process, think about who needs to be consulted is not useful.

**Note: Satisfactory rating - 2and above points , Unsatisfactory - below 2 points**

### **Answer Sheet**



Information sheet - 2	Develop implementation plan
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## 2.1 Developing implementation plan

An implementation plan is a management tool designed to illustrate, in detail, the critical steps in developing and starting a project. It is a guide or map that helps program staff be proactive rather than reactive in developing their program and identifying any challenges along the way. It allows any person working on the program, regardless of his or her level of involvement, to fully understand the goal of the program and how it is to be accomplished. It ensures that everyone working on the project is on the same page and any discrepancies are resolved before they become costly to the project or population served.

### 2.1.1. Why is an implementation plan important?

An implementation plan allows stakeholders on the project to think through critical components before beginning, thereby saving time, energy, and money. By detailing all critical steps before starting the project, stakeholders can anticipate factors they otherwise would not consider until encountered and identify potential problems and challenges on the front end. The planning becomes proactive instead of reactive, which allows best practices to be used and ensures that energy and time are spent on implementing a high quality, well- thought- out program rather than “putting out fires.”

### 2.1.2. How will an implementation plan be used?

Grantees will use an implementation plan as their guide through the first year of development and piloting. By having all persons refer to a common document, program managers and directors can be sure that program intentions and goals are interpreted consistently by all staff and not subject to individual interpretation. The implementation plan should be reviewed in staff meetings and updated as necessary. It is a guide for developing the program and planning for the piloting of the program.

### 2.1.3. What constitutes the implementation phase?

The first year is all about implementation planning and piloting. During the first 6 months, programs should be developing and finalizing their implementation plans. During months 7–12, programs should be pilot testing their program, with OAH approval, and tweaking implementation plans as necessary.



<b>Self check 2</b>	<b>T/F</b>
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**Directions:** Write TRUE if the statement is correct and write FALSE if the statement is wrong.

1. An implementation plan is a management tool designed to illustrate, in detail, the critical steps in developing and starting a project.
2. The first year is all about implementation planning and piloting.
3. The implementation planning becomes reactive instead of proactive.

**Note:** Satisfactory rating - 2 and above points , Unsatisfactory - below 2 points

**Answer Sheet**





### **3.1 Introduction**

Performance indicators are measures of project impacts, outcomes, outputs, and inputs that are monitored during project implementation to assess progress toward project objectives. They are also used later to evaluate a project's success. Indicators organize information in a way that clarifies the relationships between a project's impacts, outcomes, outputs, and inputs and help to identify problems along the way that can impede the achievement of project objectives.

### **3.2 Monitored implementation against agreed indicators**

#### **Indicators of Success:**

For each outcome statement, one or more Indictors of success will be identified as a way of determining if the outcome was achieved and if achieving the outcome had an impact and provided a return on investment or was cost-beneficial. The Indictors of Success are agreed upon by program staff.

### **3.3 Activity**

Identify one or more Indicators of Success for the identified outcomes.

- The Public
- Audiologists
- Speech-Language Pathologists
- Students
- Academic Programs & Faculty

### **3.4 Why is performance monitoring indicators important?**

In recent years several important studies—most notably the Portfolio Management Task Force Report and reviews by the Operations Evaluation Department (OED) — have found that the monitoring and evaluation of Bank-financed projects did not focus adequately on the factors that are critical for positive development impact. Both the task force and OED concluded that performance indicators should be integrated with the monitoring and evaluation procedures used by the Bank and its borrowers.



<b>Self-check 3</b>	<b>Written test</b>
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**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Performance indicators are not measures of project impacts, outcomes, outputs, and inputs.
2. Indicators organize information in a way that clarifies the relationships between a project's impacts, outcomes, outputs, and inputs.
3. The Indicators of Success are agreed upon by program staff.

**Note:** Satisfactory rating - 2 and above points , Unsatisfactory - below 2 points

**Answer Sheet**



Information sheet 4	Monitoring implementation
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#### 4.1. Introduction

Monitoring is a process of determining how well our plans are being implemented. You cannot monitor something if you don't have a plan or basic structure of how something should be done, or a defined goal or target.

- Monitoring improvements of a business involves keeping track of lots of moving parts.
- Most business activities involve multiple team members handling various aspects of the human resources at the same time.
- You have to monitor elements such as the budget, scope, schedule, resources and tasks to be completed.
- Accurate and effective monitoring helps you stick to your timeline and identify problems early in the process to ensure your project is a success

#### 4.2. Monitoring implementation

It's a new year and things are going to be different this year. We spent a little time reviewing our mistakes of the past. We are resolved – this year will be different. Distributors struggle to maximize their gross margin. Dozens of trade publication articles, consultative commentaries and presentations exist on the power of adding just one percent more gross margin. Remember: this article is not about planning. It's about make the plan work. There are different factors for success, but the following six ideas in steps, will stack the deck in our favor:

##### Step 1 – Somebody has to be responsible

If no one has the responsibility and corresponding authority to make the plan come to life, it's damned from day one. The adage two heads are better than one doesn't apply here - committees are even worse. One specific person must be responsible for seeing the plan through. This doesn't mean one person has to do all of the work – most of the time this is impossible. But a single individual must be held accountable for pushing the plan forward.



## **Step 2 – Develop metrics throughout the plan**

In a pricing plan the most obvious indicator is gross margin. External forces like fluctuations in season, the economy and trends in commodity prices (copper, steel, oil, etc.) push us to look for additional measures - metrics lying just below the surface. Information such as pricing exceptions, salesperson compliance to “system pricing” and margin shifts in product lines have proven to be more valuable in tracking progress. Truly successful companies insist on this type of regular feedback.

## **Step 3 – If issues develop, understand the root causes and make adjustments.**

It's not enough to know the plan isn't working. We've got to get to the root cause of the issues. This can be derived by asking – Why, how, what? Let's face it every plan comes with unexpected issues. Unanticipated conditions are part of the business environment – markets change, competitors react, suppliers fail to deliver and new technologies affect the playing field. Rather than lamenting failure or worse yet sticking with a bad plan, we must search for the root causes of the issues. Making wise adjustments to the plan is crucial to long term success.

Ask questions to better understand the situation– things like:

- Why are we falling behind our milestones?
- What has changed since we laid out our plan?
- What must change to get back on track?
- How can we bring other resources into the equation?

## **Step 4 – Insist on individual compliance with the plan**

Are there individuals who refuse to follow the plan? Many a great plan fails because a few dissenters stonewall the execution. Whether done in the open or covertly underground, these must be addressed. Change is difficult and threatens the experienced more than the novice. It's not uncommon for a long-term team member to oppose some aspect of the plan. Except in the most blatant of cases this manifests itself with half-hearted or delayed activities. For instance, they may sheepishly try the plan once and announce failure. This is incredibly frustrating and damaging to morale – particularly in selling situations.



### **Step 5 – Instruct, educate and coach throughout the plan**

Catastrophe awaits those who ignore the human element. Our plan – no matter how basic – must contain a mechanism for instruction of those involved in execution. As we contemplate the education piece - let's remember; human learning requires repetition. Launch your plan with an instructional session and repeat that session at points along the way. Provide metric related updates for the group. And, for those who lag behind – provide personalized coaching. Remember – good coaches motivate each person according to that person's personality.

Topics like understanding value, the buying habits of various organizations, pricing sensitivity and competitive pressures are rolled out ahead of the very first systemic change. This brings us to our final point in developing a plan.

### **Step 6 – Look to others for implementation tips**

No, this isn't a couched come-on for consulting companies. Implementation tips flow from a number of places – basically anyone who has been down a similar road. Understanding the pot holes on the road to executing your plan eliminates a great deal of frustration and save countless hours spent reinventing the wheel.

### **4.3. Finally a conclusion...**

Whether we are just launching out with a new plan or mid-way through a rough and rocky implementation, following these six steps will maximize our success. Finally, remember even the best of plans must be tweaked along the way – think implementation, adaptation, implementation.

**Self-check 4****Written test**

**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Monitoring improvements of a business involves keeping track of lots of moving parts.
2. Change is difficult and threatens the experienced more than the novice.
3. Making wise adjustments to the implementation plan is crucial to long term success.

**Note:** Satisfactory rating - 2 and above points , Unsatisfactory - below 2 points  
**Answer Sheet**



Information sheet- 5	Adjust implementation
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### 5.1. Adjusting implementation

Even the most well-thought-out business plan is just a stack of paper if it isn't coupled with a plan for implementation. This is the portion of the business plan where you'll clarify objectives, assign tasks with deadlines, and chart your progress in reaching goals and milestones. Here are some guidelines for successful business plan implementation:

**Objectives:** Your objectives should be crystal clear and specifically spelled out, since you'll use them as a building block for the rest of the implementation plan.

For example, let's assume your startup is a small consulting firm. Your objective should be tough but reachable, and could read something like this:

- Secure office space and be open for business in three months.
- Sign three clients within first three months of operations.
- Sign 10 clients within first year.

**Tasks:** This part details what must be accomplished to achieve your objectives. Include a task manager for each step, so that roles are clearly defined and there is accountability. As you enumerate tasks and assignments, these descriptions should be plainly and generally stated; don't get into a step-by-step, micromanaged explanation of how the tasks will be carried out. Emphasize the expected results associated with these tasks. Continuing with the above example, the tasks section might read like this:

- Secure office space – real estate agent
- Obtain licenses and permits – you
- Set up office phones and computers – office manager
- Begin recruiting clients – sales manager
- Create marketing collateral – marketing manager

This list is obviously very specific to this particular firm and is a brief illustration. You may wish to go into more details, assigning tasks to yourself such as obtaining financing, networking with prospective clients, etc.

**Time allocation:** Each task should be paired with an appropriate time frame for completion. You should be aggressive but reasonable with your time allocation in order to ensure not just



completion but competent work. For assistance in framing this timescale, use a program such as Microsoft Project, or just create your own Gantt chart – a helpful tool that shows how long it will take to complete different tasks and in what order the tasks should be finished.

**Progress:** You or a member of your management team needs to be in charge of monitoring each task's progress and the completion percentage of each objective. When delays occur, try to get to the root of the problem. Did the person responsible drop the ball? Did he or she have too many responsibilities to handle? Did a third party, such as a supplier or the bank, fail to hold up its end of a deal? Adjust your Gantt chart appropriately to account for the delay, and make a note of the previous deadline and the reason it was missed. While the above steps may seem like overkill, the early days of a startup are critically important; it's a time when good management patterns are set and also probably a lean era when revenue has yet to start rolling in. The more efficiently you start implementing your business plan, the more likely it is that you will survive this early period.



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

**Directions:** For the following questions, say TRUE if the statement is correct and FALSE if it is incorrect (wrong).

1. Each task should be paired with an appropriate time frame for successful business plan implementation completion.
2. Your business plan implementation objective should not be tough but reachable.
3. The more efficiently you start implementing your business plan, the more likely it is that you will survive this early period.

**Note:** Satisfactory rating - 2 and above points , Unsatisfactory - below 2 points

**Answer Sheet**

**Score =** \_\_\_\_\_

**Rating:** \_\_\_\_\_



## Operation Sheet-1

## Monitoring and evaluation procedures

**OPERATION TITLE:** monitoring and evaluating operations

**PURPOSE:** To assure whether operations are performed as per the plan or not

**CONDITIONS OR SITUATIONS FOR THE OPERATIONS:**

**Formal plan of the organization**

**Equipment =** Computer, printer, demonstration room.

**Consumable materials =** pen, pencil, paper, flip chart, marker

**PROCEDURE:**

1. Take standards(plan) Set by the organization
2. Measure the actual performance
3. Compare actual with the standards
4. Identify the reasons for deviation(if any)
5. Recommend remedial actions

**PRECAUTIONS:**

- Confidentiality
- Patience
- Reliability of the data

**QUALITY CRITERIA:**

- Applicability of recommended suggestions



LAP Test 1	Practical Demonstration
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Name: \_\_\_\_\_ Date: \_\_\_\_\_

Time started: \_\_\_\_\_ Time finished: \_\_\_\_\_

**Instructions: Given** necessary templates, tools and materials you are required to perform the following tasks within 3-4 hour.

**Task 1.** Monitor and evaluate operations



## List of References

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