



INFORMATION TECHNOLOGY SUPPORT SERVICE

Level II

Learning Guide #47

Unit of Competence:	Develop Business Practice
Module Title:	Developing Business Practice
LG Code:	<u>EIS ITS2 M12 1019 LO5-LG47</u>
TTLM Code:	<u>EIS ITS2 TTLM 1019 V1</u>

LO 5: Review Implementation Process

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

- Developing and implementing review process
- Identifying improvements in business operation and management process
- Implementing and monitoring identified 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 –

- Review process for implementation of business operation is developed and implemented
- Improvements in business operation and associated management process are identified

Identified improvements are implemented and monitored for effectiveness **Learning**

Learning Instructions:

- Read the specific objectives of this Learning Guide.
- Follow the instructions described below 3 to 4.
- Read the information written in the information “Sheet 1, Sheet 2, Sheet 3, Sheet 4, Sheet 5, Sheet 6 and Sheet 7” **in page 1 ,6, and 8** respectively.
- Accomplish the “Self-check 1, Self-check t 2, Self-check 3 , Self-check 4, Self-check 5 and Self-check 6” **in page 5, 7, and 12** respectively

1.1. Ensuring Continuity of Growth Small Business

Learning best practices through benchmarking

Today's small business owner is confronted with new business problems and opportunities on a regular basis. Running a company requires the ability to look outside the business for solutions, ideas, and best practices. However, borrowing ideas and best practices can be wrought with danger. Learn what big business already knows about benchmarking best practices and how to effectively borrow or steal ideas, tactics, and strategies.

What is a Best Practice?

A best practice is the process of finding and using ideas and strategies from outside your company and industry to improve performance in any given area.

Big business has used best practice benchmarking over decades and realized billions in savings and revenues in all areas of business operations and sales. Small business can reap even greater rewards from best practices.

Benefits of Best Practices for Small Business

- **Reduce Costs:** Small companies often do not have the deep financial pockets of big business to "re-invent the wheel". By learning what other companies have successfully done, a small business can save money without testing new ideas.
- **Avoid Mistakes:** Solving business problems on your own can result in costly errors. Learning what others have done can keep your business in business.
- **Find New Ideas:** Adopting the "Not-Invented-Here" attitude can spell disaster for small business. Learn to borrow the best from beyond your company.
- **Improve Performance:** When your business looks for best practices outside your business, a wonderful thing happens. You raise the bar of performance and set new standards of excellence to propel your company forward.

Micro and Small Business Support Agencies and Programs

Such institutes and programs are organized to make the consulting resources of universities available to small businesses. Expert teams of upper division and graduates students, under the direction of such agencies, work with owners of small firms in analyzing their business problem and devising solutions. The primary users of the Agencies' consulting assistance are applicants for SBA loans, although the program is not restricted to such firms.

The program has mutual benefits: It provides students and researchers with a practical view of business management and supplies small firms with answers to their problems. In many countries the institutions who participate are typically combined of various backgrounds. Individual teams for example may have different members specializing in management, marketing, accounting, and finance. This approach is considered one of the most successful consulting programs for small businesses.

For example, participating in an SBI assistance program, a team of students from Drake University helped Kane Manufacturing program, a 24- employee family-owned business in Des Moines Iowa, evaluate sales potential in Germany for its line of livestock products. A 50- page report confirmed the hunch of the company's management that a market existed in Germany and also outlined the obstacles the business would face in marketing to European customers. The cost to the company for this evaluation was zero.

SMALL BUSINESS DEVELOPMENT CENTERS (SBDCS)

Small Business Deployment Centers (SBDCs) are affiliated with colleges or universities as part of MSE Agencies' overall program of assistance to small business. SBDCCs provide direct consultation, continuing education, research assistance, export services , and support to minority- owned firms their staff typically includes faculty members, SCORE counselors, professional staff, and graduate student assistants.

MANAGEMENT CONSULTANTS

Management consultants serve small businesses as well as large corporations. The entrepreneur should regard the services of a competent management consulate as an investment in improved decision making or cost reeducation: many small firms could save as much as 10 to 20 percent of annual operating costs. The inherent advantage in the use of such consultants is suggested by the existence of thousands of consulting firms. They range from large, well established firms to small one-or-two-person operations. Two broad areas of services are rendered by management consultants:

1. Helping improve productivity and/ or prevent trouble by anticipating and eliminating its causes
2. Helping a client get out of trouble

Business firms have traditionally used consultants to help solve problems they could but handle alone. A consultant may be used, for example, to aid in the designnew computer-based management information system. An even greater service that management consultants provide is periodic observation and analysis, which keepssmall problems from becoming large ones. This role of consultants greatly expands their potential usefulness. Outside professionals typically charge by the hour, so an owner should prepare as completely as possible before a consulting session orvisit begins.

NETWORKS OF ENTREPRENEURS (TRADE AND SECTORAL ASSOCIATIONS)

Entrepreneurs also gain management assistance through **networking**-the process of developing and engaging in mutually relationships with peers. As business owners meet other business owners, they discover a Commonality of interests that leads to an exchange of ideas and experiences. The setting for such meetings may be trade associations, civic clubs, fraternal organizations, or any situation that brings businesspeople in together. Of course, the personal network of an entrepreneur is not limited to other entrepreneurs, but those individuals may be the most significant part of that network.

Networks of entrepreneurs are linked by several kinds of ties- instrumental, affective, and moral. An instrumental tie is one in which the parties find the relationship mutually rewarding –for example, exchanging useful ideas about certain business problems. An affective tie relates to emotional sentiments-for example, sharing a joint vision about the role of small business when faced with giant competitors or with the government. A moral tie involves some type of obligation-for example, a mutual commitment to the principle of private enterprise or to the importance of integrity in business transaction. In personal networks of entrepreneurs, affective and moral ties are believed to be stronger than instrumental ties. This suggests that a sense of identity and self-respect may be a significant product of the entrepreneur’s network.

OTHER BUSINESS AND PROFESSIONAL SERVICES

A variety of business and professional groups provide management assistance. In many cases, such assistance is part of a business relationship. Sources of management advice include bankers, certified public accountants, attorneys, insurance agents, suppliers, trade associations, and chambers of commerce.

It takes initiative to draw on the management assistance available from such groups.

For example, it is easy to confine a business relationship with a CPA to audit and report financial statements, but the CPA can advise on a much broader of subjects.

Besides offering advice on tax matters, a good accountant can help in a variety of situations. When you hire staff what benefits or severance package should you offer? When you're planning to open a new branch, will your cash flow support it? When you embark on a new sideline, will the margins be adequate? When you reduce insurance, what's the risk? When you factor receivables, how will it affect the balance sheet? When you take on a big account, what's the downside if you lose the account? Or when you cut expenses, how will that affect the bottom line?

As you can see from the examples given, potential management assistance often comes disguised as professionals and firms encountered in the normal course of business activity by staying alert for and taking advantage of such opportunities, a small firm can strengthen its management and improve operations with little, if any additional cost.

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

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

Short Answer Questions

1. **What is a Best Practice?**
2. **List Benefits of Best Practices for Small Business?**

Note: Satisfactory rating - 1 points **Unsatisfactory - below 1 points**
You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____
Rating: _____

Information Sheet-2	Identifying improvements in business operation and management process
---------------------	---

DETERMINE THE RESOURCES REQUIRED TO ACHIEVE THESE GOALS

Once you know the goals, determine the physical and human resources, both internal and external, that you will need to accomplish them.

- **Internal resources:** exist within the company but may need to be redeployed to achieve the new goals.
- **External resources:** need to be acquired to achieve this goal, either permanently, such as a new hire or new equipment, or temporary, such as the services of a consultant or renting equipment.
- **Human resources:** include people and expertise, both existing employees (internal human) or new hires, consultants or contract employees (external human).
- **Physical resources:** include equipment required to achieve the stated goal, both already owned (internal physical) or new or rental equipment (external physical).

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

Short Answer Questions

1. _____ exist within the company but may need to be redeployed to achieve the new goals.
2. _____ need to be acquired to achieve this goal, either permanently, such as a new hire or new equipment, or temporary, such as the services of a consultant or renting equipment.

Note: Satisfactory rating - 1 points

Unsatisfactory - below 1 points

You can ask your teacher for the copy of the correct answers.

Answer Sheet

Score = _____

Rating: _____

What is Monitoring?

- Monitoring is the systematic collection and analysis of information as a project progresses.
- In other words, monitoring is an on going process which help us to understand how we are using our resources within the action plan and what we are immediately getting out of it.
- It is aimed at improving the efficiency and effectiveness of a project or organization.
- It is based on targets set and activities planned during the planning phases of work.
- It helps to keep the work on track, and can let management know when things are going wrong.
- If done properly, it is an invaluable tool for good management, and it provides a useful base for evaluation.
- Monitoring is the systematic collection and analysis of information as a project progresses.
- In other words, monitoring is an on going process which help us to understand how we are using our resources within the action plan and what we are immediately getting out of it.
- It is aimed at improving the efficiency and effectiveness of a project or organization.
- It is based on targets set and activities planned during the planning phases of work.
- It helps to keep the work on track, and can let management know when things are going wrong.
- If done properly, it is an invaluable tool for good management, and it provides a useful base for evaluation.

In Summary Monitoring:

- on-going process
- more or less a routine or continuous/ay-to-day
- quite structured
- movement towards the objective or away from it
- focuses on inputs and outputs
- means of checking on progress

- alerts managers to problems
- tool for improvement
- Monitoring is a continuous internal management activity to ensure that project/program implementations, and ongoing operation, are on track.

Monitoring involves:

- Establishing indicators of efficiency, effectiveness and impact;
- Setting up systems to collect information relating to these indicators;
- Collecting and recording the information;
- Analyzing the information;
- Using the information to inform day-to-day management.
- Monitoring is an internal function in any project or organization.

What is Evaluation?

- Evaluation is the comparison of actual project impacts against the agreed strategic plans.
- It looks at what you set out to do, at what you have accomplished, and how you accomplished it.
- It can be formative (taking place during the life of a project or organization, with the intention of improving the strategy or way of functioning of the project or organization).
- It can also be summative (drawing learning's from a completed project or an organization that is no longer functioning).

In Summary Evaluation:

- periodic
- in-depth analysis of achievements
- provides managers with strategy and policy options
- provides feedback for analysis of impacts, outcomes, results of activities

Evaluation involves:

- Looking at what the project or organization intended to achieve – what difference did it want to make? What impact did it want to make?
- Assessing its progress towards what it wanted to achieve, its impact targets.
- Looking at the strategy of the project or organisation. Did it have a strategy? Was it effective in following its strategy? Did the strategy work? If not, why not?
- Looking at how it worked. Was there an efficient use of resources?
- In an evaluation, we look at efficiency, effectiveness and impact

- Evaluation is an internal or external activity to assess whether a project or program is achieving its intended objectives

What is Monitoring & Evaluation?

- Focuses on on-going feedback
- Timing of activities & method for data gathering
- Important at all levels for palliative care for all organizations
- necessary management tool to inform decision-making and demonstrate accountability

What monitoring and evaluation have in common is that they are geared towards learning from what you are doing and how you are doing it, by focusing on:

- Efficiency
 - Effectiveness
 - Impact
- **Efficiency** tells you that the input into the work is appropriate in terms of the output. This could be input in terms of money, time, staff, equipment and so on.
- **Effectiveness** is a measure of the extent to which a development programme or project achieves the specific objectives it set.
- **Impact** tells you whether or not what you did made a difference to the problem situation you were trying to address. In other words, was your strategy useful?

It is important to recognize that monitoring and evaluation are not magic wands that can be waved to make problems disappear, or to cure them, or to amazingly make changes without a lot of hard work being put in by the project or organization. In themselves, they are not a solution, but they are valuable tools. Monitoring and evaluation can:

- Help you identify problems and their causes;
- Suggest possible solutions to problems;
- Raise questions about assumptions and strategy;
- Push you to reflect on where you are going and how you are getting there;
- Provide you with information and insight;
- Encourage you to act on the information and insight;
- Increase the likelihood that you will make a positive development difference.

An effective M&E provides the ability to:

- Assess to what extent the objectives of the project are fulfilled;
- Evaluate how effectively change is promoted;
- Equip managers with a tool for timely information on the progress of activities;

- Identify problems in planning and/or implementation;
- Make adjustments so that you are more likely to “make a difference”.

Step in Implementing Your Growth Plan

Implementing a plan, especially for a growing business, means making changes. This is never easy because people are driven by habit. It is important to be aware of your current behavior and be prepared to change as needed. For example, if your company is in the habit of extending credit to slow-paying customers, you’ll need to change this if your goal is to increase cash flow by speeding up collections.

You and your team must be committed to the new direction you have chosen. If you are working with a team, you can reinforce each other’s commitment to implementing changes. Of course, if the change is seen as arbitrary or unnecessary, it quite rightly will often be ignored. Using the previous example, the credit policy will change only if the person in charge of it understands the importance of the change and is committed to it.

While a solid plan will minimize the risks, those that remain must be acknowledged and managed. The team approach helps to minimize risk and increase acceptance. It may also help to find mentors, coaches or facilitators with specific expertise. For example, if you want to change your distribution network to a multiple chain operation, you may want to invite an employee or consultant to help with this part of the plan.

It is usually easy to begin implementation enthusiastically but you may find it harder to maintain the pace three months down the road. Enthusiasm wanes even more if it takes longer than expected to implement the plan. The hopes and dreams, so fresh during the planning process, begin to fade, and the goals become seemingly less important every passing day. It is important to encourage and keep the enthusiasm high as you enter the dog days of implementation.

I REVIEW GOALS

Never forget that your objective is to eliminate roadblocks to growth, starting with your critical business division. Once you have your goals, examine the sequence and decide what needs to happen first.

For example, if hiring three new employees is a priority, you will want to write job descriptions and prepare an orientation checklist before you start recruiting. This will make the hiring process more effective. You may know you can get a loan for a new piece of equipment, but you still need to do the paperwork before you can go shopping.

While it is important to complete some of these more trivial tasks first, don’t let this become an excuse to avoid the more important and complex tasks.

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

Fill Answer Questions

1. _____ is the systematic collection and analysis of information as a project progresses?

2. ___ is the comparison of actual project impacts against the agreed strategic plans.

Note: Satisfactory rating - 1 points

Unsatisfactory - below 1 points

You can ask you teacher for the copy of the correct answers.

Answer Sheet

Score = _____

Rating: _____

List of Reference Materials

- 1- <https://www.thebalancesmb.com/quastions.for-partnership.agreements>
- 2- <https://yourbusiness.azcentral.com/companies-honor-previous-contracts>
- 3- <https://www.nolo.com/legal-encyclopedia/amending-existing-contract>
- 4- <https://www.thebalancesmb.com/quastions.for-partnership.agreements>
- 5- <https://www.lawyers.com/legal-info/business-law/business-law-basic/com>
- 6- <https://www.contractexperience.com/resources/contract-amendment.html>