



# **Horticultural crop production**

## **Level-II**

# **Learning Guide-80**

**Unit of Competence: Develop Business practices**

**Module Title: Developing Business practices**

**LG Code: AGR HCP2M20 LO1-LG-80**

**Code: AGR HCP2TTLM 0120v1**

**LO1: Identify business opportunities**



<b>Instruction Sheet</b>	<b>Learning Guide # 80</b>
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This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Identifying and investigating *business opportunities*
- Undertaking feasibility study
- Undertaking market research on product or service
- Seeking assistance with feasibility study of *specialist and relevant parties*
- impact of emerging or changing technology on business
- Assessing practicability of business opportunity
- Completing business plan operation

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:

- + Identifying and investigating *business opportunities*
- + Undertaking feasibility study
- + Undertaking market research on product or service
- + Seeking assistance with feasibility study of *specialist and relevant parties*
- + impact of emerging or changing technology on business
- + Assessing practicability of business opportunity
- + Completing business plan operation

**Learning Instructions:**

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below 3 to 7.
3. Read the information written in the information “Sheet 1- 7” respectively.
4. Accomplish the “Self-check 1 – 7” respectively.
5. If you earned a satisfactory evaluation from the “Self-check” proceed to “Operation Sheet 1- 2”.
6. Do the “LAP test” (if you are ready).

<b>Information Sheet-1</b>	<b>Identifying and investigating business opportunities</b>
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### **Identify business opportunities**

A business opportunity: involves sale or lease of any product, service, equipment, etc. that will enable the purchaser-licensee to begin a business. The licensor or seller of a business opportunity usually declares that it will secure or assist the buyer in finding a suitable location or provide the product to the purchaser-licensee. This is different from the sale of an independent business, in which there is no continued relationship required by the seller. In other way a business opportunity may be defined simply as an attractive idea or proposition that provides the possibility of a return for the investor or the person taking the risk.

A business opportunity consists of four integrated elements all of which are to be present within the same timeframe and most often within the same domain or geographical location, before it can be claimed as a business opportunity.

These four elements are:

- A need
- The means to fulfill the need
- A method to apply the means to fulfill the need and;
- A method to benefit

With anyone of the elements missing, a business opportunity may be developed, by finding the missing element. The more unique the combination of the elements, the more unique the business opportunity. The more control an institution (or individual) has over the elements, the better they are positioned to exploit the opportunity and become a niche market leader.

Ways to identify more business opportunities

1. Listen to your potential clients and past leads. When you're targeting potential customers listen to their needs, wants, challenges and frustrations with your industry.
2. Listen to your customers.



3. Look at your competitors.
4. Look at industry trends and insights.
  - Identifying business opportunities requires generating ideas which refers to the scanning and understanding of the environment in terms of the needs and wants of the society. This includes looking through what is going on in our surrounding.
  - Taking a small level perspective or viewing what is happening in the business environment can be seen from the social, technological, economic and environmental factors.
  - Some of the ways of scanning the environment include looking closely at the market to determine the demand and supply gap, looking at people's skills through observing your community and looking at available business assistance program like government program.

#### 1.1. Innovation and creativity of business opportunities

Creativity refers to coming up with something new and original. It requires skills of flexibility, originality, fluency, elaboration, brainstorming, modification, imagery, imagination and curiosity.

The three components of creativity are: expertise (knowledge-technical, procedural and intellectual), creative-thinking skills (how do you approach problems), and motivation (intrinsic motivation is more effective).

Innovation is the process of making improvements by adding something new. Looking for what will work and will be economically viable as products, services, processes Skills for new product development, flexibility, effective project management, understanding needs, being customer centered, engaging people/organization.

Creativity involves imagining a new reality and innovation is required to make it work by developing ideas into applications and solutions.

In order to generate new ideas you need the skills and knowledge and critically the ability for flexible thinking.

In creating or searching for business opportunities, one must consider the following factors:





1. The needs of the community – What products are in demand?
2. Available resources – Do you have money for capital? Do you have equipment and facilities?
3. Skills and interests – Does the particular business activity meet your interest?
4. Market - where will you sell your products? Who will buy your products?
5. Supplies or raw materials – Are materials always available?
6. Manpower – Are expert workers available?
7. Technology – Is your product or service new or improved?

Divergent thinking methods:

Divergent thinking methods is a thought process or method used to generate creative ideas (business ideas) by exploring many possible solutions. By contrast, divergent thinking typically occurs in a spontaneous, free-flowing, "non-linear" manner, such that many business ideas are generated in an emergent cognitive manner.

What is divergent problem solving?

The term “divergent thinking” refers to that strategy of solving problems characterized by the proposal of a multiplicity of possible solutions in an attempt to determine the one that works business.

It usually happens in a free-flowing, spontaneous manner, where multiple creative ideas business are engendered and evaluated.





<b>Self-Check -1</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. What are the factors should be consider during in creating or searching for business opportunities. (5pts)
2. Write the four elements of business opportunities?. (5pts)

**Answer sheet**

1. \_\_\_\_\_

2. \_\_\_\_\_

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

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

**Note: Satisfactory rating - 10 points**

**Unsatisfactory - below 10 points**

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



<b>Information Sheet-2</b>	<b>Undertaking of business feasibility studies</b>
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## **Undertaking of business feasibility studies**

A business feasibility study can be defined as a controlled process for identifying problems and opportunities, determining objectives, describing situations, defining successful outcomes and assessing the range of costs and benefits associated with several alternatives for solving a problem.

A business feasibility study is used to support the decision making process based on a cost benefit analysis of the actual business or project viability. The feasibility study is conducted during the deliberation phase of the business development cycle prior to commencement of a formal business plan. It is an analytical tool that includes recommendation and limitation, which are utilized to assist the decision makers when determining if the business concept is viable.

### **2.1. Importance of business feasibility study**

It is estimated that only one in fifty business ideas are actually commercially viable. Therefore a business feasibility study is an effective way to safeguard against wastage of further investment or resources. If a business project is seen to be feasible from the result of the study, the next logical step is to proceed with the full business plan.

The research and information uncovered in the feasibility study will support the business planning stage and reduce the research time. Hence, the costs of the business plan will also be reduced. A thorough viability analysis provides an abundance of information that is necessary in order to determine the business concept's feasibility.

Finally, feasibility study should contain clear supporting evidence for its recommendation. The strength of the recommendation can be weighed against the study ability to demonstrate the continuity that exists between the research analyses and the proposed business.



How do you write a feasibility study report?

A feasibility study report should include the project description, possible solutions, evaluation criteria, pinpointing the most feasible solution and a conclusion. Feasibility study reports are used to provide evidence for a project's effectiveness and to give supportive reasons why this project should be undertaken.

A project manager normally has to submit some kind of supportive background in order to receive the go-ahead from upper management to pursue a project. This is done by doing a feasibility study and submitting a report on the findings.

Step 1: Write the project description

The powers that be want to know the details of the proposed project. This information is included in the project description. The reason for the project and any background information should be listed here.

Step 2: Give some possible solutions

There should be more than one solution for the problem the project is attempting to resolve. Do an alternatives analysis to come up with a few different ways to solve the issue and list them here.

Step 3: Describe the evaluation criteria

This section sets and defines the evaluation criteria for the possible solutions. Be sure to list criteria for all the solutions given in Step 2.

Step 4: Pinpoint the most feasible solution

Describe the most feasible solution here. It should be the one that is the most economically and technically feasible.

Step 5: Write the conclusion

The conclusion summarizes the report. Review the aim of the project and reiterate the most feasible solution.







<b>Self-Check -2</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

**give short and precise answer**

1. What are the essential business skills including for conducting of feasibility study(5pts)
2. Write the elements used for reporting of the finding feasibility study?(5pts)

Answer sheet

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_

Score = _____
Rating: _____

*Note:* Satisfactory rating - 10 points

Unsatisfactory - below 10 points

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



### 3.1 Concepts of market research

Market research is carried out to have advance idea of consumer acceptance of product before developing and manufacturing it. Market research is as important as technical research and should be carried out on continuous basis to ensure continued vitality of a business. Market research includes collection of information on nature of demand, nature of competition, methods of marketing and other aspects of distribution of products from production to consumer.

The sources of information for market research can be

- I. Published literature
- II. Government sources
- III. consultants

Objectives of market research:

1. Market research determines who and where the customer is, what are his needs and wants, what will he buy, where and how he will buy and how much he will pay
2. Market research measures sales trends and sales potential
3. Market research analyze distribution, economic trends and profitability
4. Market research determines advertising effectiveness, consumer reaction and dealer reaction
5. Market research safeguards company's interest against unforeseen changes in the market

PROCEDURE FOR MARKET STUDY:

1. Define the problem clearly
2. Develop a clean set of research objectives



3. Subcontract the collecting data
4. Extract meaningful information from the collected data
5. Prepare or report presenting the major finding and recommendation from the study

Some of the technique used for market research

1. Desk research: the data is collected from the published information by the company or outside source. Example. Government agencies, trade associations

Desk research consists of:

→ Sales analysis

- Past sales
- Changes in sales
- Promotional expenditures
- Economics of order size

→ Correlation: relationship between two or more variables for example, relation between numbers of new cars produced and number of car batteries and car tyres sold

→ Ratios- relation between sales and stock or earning and capital etc

2- Postal questionnaire: questionnaires are carefully prepared and posted to a selected sample of respondents for collecting specific data from them. This tool should have short, specific and statistical questions.

3-Telephone interviews

4- Observational method

5. Personal interviews: personal interviews are conducted on a simple question and answer basis. Such interviews give best result with greater reliability.

6. Statistical Method:

I) Statistical methods analyze large collected data and logically conclude the market investigation

II) Bar chart, histogram, frequency polygon, frequency distribution curve and the concepts of averages, median and standard deviation are used for the analysis.



<b>Self-Check -3</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

**give short and precise answer**

1. What source information for market research (5pts)
2. Write the objectives of market research? (5pts)
3. Write the procedures of market research? (5pts)

Answer sheet

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_

Score = _____
Rating: _____

*Note:* Satisfactory rating - 15 points

Unsatisfactory - below 15 points

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



**Information Sheet-4**

**Feasibility study of specialist and relevant parties**

Business mentors/counselors/ are people who have been advice and who can help /guide/ business men /toward success. Small Business Development Centers can often be of service to new companies. Many provide state-specific business startup advice. Local and state governments provide advice and often have booklets useful to the new entrepreneur.

**Financial Advice:**

There are a number of professional financial services available, such as accountants, book keepers or Business Activity Statement (BAS) agents.

Financial professionals can help you to:

- maintain your books
- create and stick to a budget
- monitor your cash flow
- help you decide on opportunities like buying new equipment, expanding your business and leasing or buying a commercial space.

**Criteria for a Good Feasibility Study Consultant:**

- Has previous experience conducting feasibility studies.
- Has experience with the industry to be studied, or access to experience and associated professionals.
- Works independently and objectively.
- Understands cooperatives fully (their operations, governance, financial workings, etc.).
- Is willing to listen to the groups' ideas.



Works closely with designated contact members of the steering committee or group

.Specialist and relevant parties are:

- ✓ Chamber of commerce
- ✓ Financial planners and financial institution representatives, business planning specialists and marketing specialists
- ✓ accountants
- ✓ lawyers and providers of legal advice
- ✓ government agencies
- ✓ industry/trade associations
- ✓ online gateways
- ✓ business brokers/business consultants





**Self-Check -4**

**Written Test**

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

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

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

1. Why asking for finance professional expert during the study of business feasibilities.( 5pts)
2. Write the Criteria using for a Good Feasibility Study Consultant. (5pts)

**Answer sheet**

1. \_\_\_\_\_

2. \_\_\_\_\_

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

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

**Note: Satisfactory rating - 10 points**

**Unsatisfactory - below 10 points**

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



Technological change (TC): is a term that is used to describe the overall process of invention, innovation and diffusion of technology or processes. The term is redundant with technological development, technological achievement, and technological progress.

Invention:-The creation of something new, or a "breakthrough" technology.

Diffusion:-The spread of a technology through a society or industry. The diffusion of a technology generally follows that early versions of technology are rather unsuccessful, followed by a period of successful innovation with high levels of adoption, and finally a dropping off in adoption as a technology reaches its maximum potential in a market.

Small businesses use computers, servers, websites and personal digital products to develop competitive advantages in the economic marketplace. Small business owners should consider implementing technology in their planning process. This allows owners to create operations using the best technology available.

♣ Benefits of Electronic Commerce (e-commerce):

The greatest economic value currently associated with internet-based commerce involves business-to business transactions. Shifting many of the internal functions of business operations, such as order placement, inventory control, technical specification procurement, and product distribution, from paper-based to electronic transactions can dramatically reduce business costs and increase productivity.

Information Technology has Transformed Business Practices:

- Traditional business-to-business intermediaries seem to be adapting to the Internet-Based market by finding new ways to add value to exchanges in areas of logistical, financial, and information services.
- The Internet-Based market has broadened business-to-business market participation by lowering the costs of access to nonproprietary global protocols that permit the efficiencies achievable through automating business processes.
- The Internet has opened new auction spaces for the sale of used and surplus goods, and has provided wider dissemination of requests for bids.





- Businesses are also using network technologies to improve access to information for such things as product design, inventory control, training, and a host of other human resource and management functions.
- Finally, the Internet also provides a new channel for the distribution of digital goods such as books, music, movies, and news.

♣ Challenge of Business in the area of E-Commerce:

A key challenge for consumers and the business enterprises today is the availability of multiple brands to choose from. The consumer landscape is changing very fast. There is no doubt that consumer today demands a better quality of products, which is what the brands developed and marketed, needs to help realize. Both in rural and in urban areas, consumers are now being exposed to and are trying a wide variety of consumer durables and non-durables, which were once considered as luxury items. Business enterprises or expected to meet the ever changing and ever increasing consumer preferences to stay in the business.





<b>Self-Check -5</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. What are the Challenge of Business in the area of e-commerce? (3pts)?
2. Write the benefits of Electronic Commerce e-commerce. (3pts)?
3. How Technological change (TC) affects to business. (3pts)?
4. What is the difference between Invention and Diffusion for business? (4pts)?

**Answer sheet**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_

Score = _____
Rating: _____

**Note: Satisfactory rating - 13 points**

**Unsatisfactory - below 13 points**

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



**Information Sheet-6**

**Assesse practicability of business opportunity**

6.1. Assess practically of business opportunities in perceived risk

A business risk is a circumstance or factor that may have a negative impact on the operation or profitability of a given company. Sometimes referred to as company risk, a business risk can be the result of internal conditions, as well as some external factors that may be evident in the wider business community.

When it comes to outside factors that can create an element of business risk, one of the most predominant risks is that of a change in demand for the goods and services produced by the company. If the change is a positive one, and the demand for the offerings of the company increase, the amount of risk is decreased a great deal. However, if consumer demands for the offerings decreases, either due to loss of business to competitors or change in general economic conditions, the amount of risk involved to investors will increase significantly. When a company's risk factor is considered to be increased due to outside factors that are beyond the control of the company to correct, chances of attracting new investors is severely limited.

When considering a new business /to continue the existing one/, it is important to consider if there is sufficient access to resources. One of the primary reasons that new business fails is under-capitalization - not enough money to keep the business going from startup until it starts to make a profit. This can lead to a lack of resources.

6.2. Human Resources

Purpose: The Human Resources section demonstrates how you will determine your HR needs, fill them, manage your staff and pay them.



## Staffing

- ➔ Organizational chart (show reporting structure).
- ➔ Job descriptions (show what people do).
- ➔ Job specifications (show the skills and knowledge required to do each job).
- ➔ Recruiting – Where will you find good people?
- ➔ Management – How will you treat those good people?
- ➔ Compensation – How much will you pay your people? This includes base wages, commissions, bonuses and other incentives.
- ➔ Human resources risks. Look at contingent plans for loss of key personnel, labour shortages or strikes.

## Legal & Administrative

- Legal Form (proprietorship, partnership, corporation, cooperative).
- Share Distribution (Corporation Only)
- Directors and Officers (Corporation Only)
- Buy Sell Agreement (Corporation and Partnerships Only)
- List of key legal agreements such as contracts, leases, agreements, franchise agreements, personal loan guarantees etc.

To show the financial requirements to start the business, and to keep the business profitable and liquid.

- Starting Balance Sheet
- Pro-Forma (Forecast) Income Statement
- Cash Flow Forecast
- Notes to the Financial Plan
- Statement of Personal Net Worth (for lending purposes)



<b>Self-Check -6</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. A business risk is a circumstance or factor that may have a positive impact on the operation or profitability of a given company. (1pts)

- A. true                      B. False

2. How can you determine humane resource in your business work places? (4pts)

**Answer sheet**

1. ....

2. ....

Score = _____
Rating: _____

**Note: Satisfactory rating - 5 points**

**Unsatisfactory - below 5 points**

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



<b>Information Sheet-7</b>	<b>Completing business plan operation</b>
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## 7.1. Preparation of business plan

What is a Business Plan?

A business plan is a comprehensive, written description of the business of an enterprise. It is a detailed report on a company's products or services, production techniques, markets and clients, marketing strategy, human resources, organization, requirements in respect of infrastructure and supplies, financing requirements, and sources and uses of funds.

Why Business Plan?

There are many important reasons for drawing up a business plan. Some of the most significant are the following:

1. Getting an integrated view of your business: by preparing your business plan, you get an integrated view of all issues regarding your business. For example, it helps you to identify better your target clients, outline your market segment, shape your pricing strategy and define the competitive conditions under which you must operate in order to succeed.
2. Mutual understanding within the management team: Reaching mutual understanding among the members of the management of the firm is particularly important in cases in which the recommended policy of engaging as many managers as practically possible is applied in the preparation of the business plan.
3. Determining financial needs and applying for funds: Determining the amount, type and sources of financing and when it is required, using the business plans in the process of application for funds.
4. Approval from board of directors/shareholders: Using it as a basis for getting approvals from the company board and shareholders.
5. Recruiting: Using it in recruiting and introducing new members of the management and staff.
6. Deriving objectives for employees: Deriving from the business plan measures and objectives for units and individuals in the organization (management by objective).

7. Informing employees: Using it as a means of informing/motivating employees about the objectives of the company.
7. Informing lenders: Giving it to banks/investment funds that have financed your business in the past and require periodical information for monitoring purposes.
8. Informing partners: Using the business plan in informing business partners and other relevant organizations.

What are the steps in the planning process?

1. Assessing the Situation: This should be an assessment of how your customers, partners, competitors and suppliers view your business.

2. Developing your :

Vision: says how you see yourself in the far future. It expresses what you want your company to become.

Mission: defines what you want to achieve. It states the benefits your business will bring to clients, employees, shareholders and the community as a whole.

Philosophy: expresses the values and beliefs of your organization's culture.

Strategy: indicates how to get there.

3. Getting ready: After the mission and the philosophical basis have been defined, you need to start the actual work of preparing the business plan. Some important matters you need to address when getting ready are:

- Appointing a coordinator: Appoint the staff member who will be responsible for coordinating the business planning process and for delivering the final document (business planning project manager) in time.
- Defining tasks: Define the different tasks and steps involved in the process, the timing of these and the overall schedule for the work.
- Identifying team members: Identify the people who will be involved in the process and define their roles, competencies, responsibilities and expected contributions/deliverables.
- Gathering information: Gather and organize all the basic information that will be required from internal and external sources (market surveys, reports on competition, new technological developments, etc.).

4. Setting goals: Setting goals for the future development of the business is a prerequisite for the preparation of the business plan. Examples of such goals can be:

- Over the next three years increase sales volume by an average of 20% per year by intensifying marketing and sales effort in the neighboring countries (export)
- In the coming year reduce production costs by 10% through greater automation of production lines

By the end of the second planning year launch three new products on the local market.

1. Working out the business plan: involves synthesizing and harmonizing your marketing, sales, development, manufacturing, operations and financing targets in such a way as to enable the enterprise to meet its overall objectives. This “matching work” is usually conducted in an iterative process until full consistency of all elements of the business is achieved.
2. Setting employee objectives: The development staffs have, among other things, to meet the schedules planned for bringing into production the new product. These individual objectives should be fixed in writing and the results of the work should be monitored and assessed periodically. These should form the basis for the financial compensation of the employee.
3. Monitoring the process:
  - Action plans,
  - Monitoring systems and Constant feedback should be integrated to ensure successful implementation of the plan and achievement of its objectives.

A business plan will be hard to implement unless it is simple, specific, realistic and complete. Even if it is all these things, a good plan will need someone to follow up and check on it. The plan depends on the human elements around it, particularly the process of commitment and involvement, and the tracking and follow-up that comes afterward.





## 7.2. Content and Structure of a Business Plan

The business plan should contain the following information's:

1. **Executive summary:** It provides a high-level overview of the purpose of the business plan, the main highlights and the financial resources required.
2. **Background:** It gives the reader an initial overview of the business before specific details are provided later on.
3. **Products and services:** Product description and history, product attributes, research and development, costing and pricing, production process, quality assurance and control, sourcing and intellectual property.
4. **Markets and clients:** Market characteristics, clients, competition, positioning, marketing strategy and projected sales.
5. **Business operations and organization:** Location and premises, marketing and selling methodology, distribution, order processing/inventory control, company structure/organization, and management information systems/reporting.
6. **Human resources:** Management (shareholders, board of directors, executive/operations management, middle management, external support services) and personnel.
7. **Legal framework and environmental and social factors:** Approvals and licensing requirements, environmental risks, social compliance, development and social benefits.
8. **Financial planning:** Financial history (financial statements), projected income statements, cash flow, balance sheet and important ratios, funding requirements and other supporting information.





MINISTRY OF AGRICULTURE



Use this out line for our country context to prepare business plan:

**Business plan outline for micro-enterprises - Ethiopian application**

**Business Plan**

1. Full name of the business operator.....
2. Address: Woreda..... Town..... Kebele..... House no.....
3. Type of the plan/work/business in which the operator is/to be engaged.....
4. Year of the plan: From..... to.....
5. Work premises at the disposal of the operator..... Specify, if there is any problem.....
6. Yearly sales plan:

S.No	Product/service to be sold, marketed / year	Unit	Qua.	Unit price	Total price	Remark	
	Total sales						

Months during which sales are expected to be high.....

**7. Equipment currently owned by the operator:**

S.No	Type of equipment	Unit of measure	Qua.	Unit cost	Total cost	Remark
	Total cost of equipment					

**8. Equipment to be purchased by the operator**





S.No	Type of equipment	Unit of measure	Qua.	Unit cost	Total cost	Remark
	Total cost of equipment					

9. Yearly raw material requirement:

S.No	Type of equipment	Unit of measure	Qua.	Unit cost	Total cost	Remark
	Total cost of equipment					

Source of raw material.....

10. Other yearly operating expenses (e.g. labour expense, sales expense, depreciation expense, tax expense etc..)

S.No.	Types of expense	Amount of expense in Birr	Remark
	Total expense		

11. Yearly production/service plan:

S.No.	Types of production/service to be produced or rendered	Unit	Qua.	Unit cost	Total cost	Remark
	Total cost					

12. Financial plan:

Capital requirements	Equity	Loan	Total
Investment capital:			
→ Machinery + equipment			
→ Furniture + fixture			
→ Business premises			
→ Any other initial and significant outlay			
Working capital:			
♣ Salary/wage			





<ul style="list-style-type: none"> <li>♣ Raw material and/or supplies</li> <li>♣ Rent</li> <li>♣ Maintenance</li> <li>♣ Business promotion</li> <li>♣ Other cash out of the business to meet short-term and recurrent expenditure</li> </ul>			
Total			

13. Yearly profit and loss plan  
See Profit + Loss Statement Format: Accounting

### 10 Steps to Developing a Business Model

The 10 steps to developing a business model. Throughout the process, stay at a fairly high level and focus on the most important attributes.

Step1. Choose a particular target segment and describe it. A segment is a group of customers with similar needs, behaviors or other attributes that the company chooses to serve.

Step2. Next, what channels are used to market to, sell to, distribute to and support this segment? Are there any partners we need to establish or maintain relationships with?

Step3. What products and/or services are offered to this segment, and are there any differences by channel? If so, make that clear.

Step4. What are the revenue streams? How are prices set? How are customers charged for products and services? How is revenue collected?





Step 5. Now, what is the value proposition delivered by each product. Think not only of value propositions for the customer (including the end-customer and any intermediaries), but also partners. Remember that the value proposition is from the perspective of the customer and can vary by customer segment; that is why we focus on one segment at a time.

Step 6. What are the key activities the company must perform to ensure the value proposition is delivered? This can include activities supporting partners and channels that are key to the value proposition. This may also involve outsourcing.

Step 7. What are key inputs and resources that must be acquired and maintained? This can include human, physical, financial and intellectual assets, as well as suppliers and vendors.

Step 8. Next, what implications do the elements defined so far have for the infrastructure of the business? They may not have been captured already. Is there significant investment required in maintaining certain technologies, skills or branding, for example?

Step 9. The cost structure includes the fixed costs of maintaining the value chain, as well as variable costs. Where are the biggest or most volatile costs?

Step 10. Finally, have you adequately identified what the company does differently to deliver on the competitive strategy (how the company differentiates itself from the competition)?

If it's not evident in the activities or resources identified you'll need to take another pass at it. It may take several iterations to get something you are comfortable with.

You may find it helpful to arrange your findings for easy reference in a diagram like the one below.

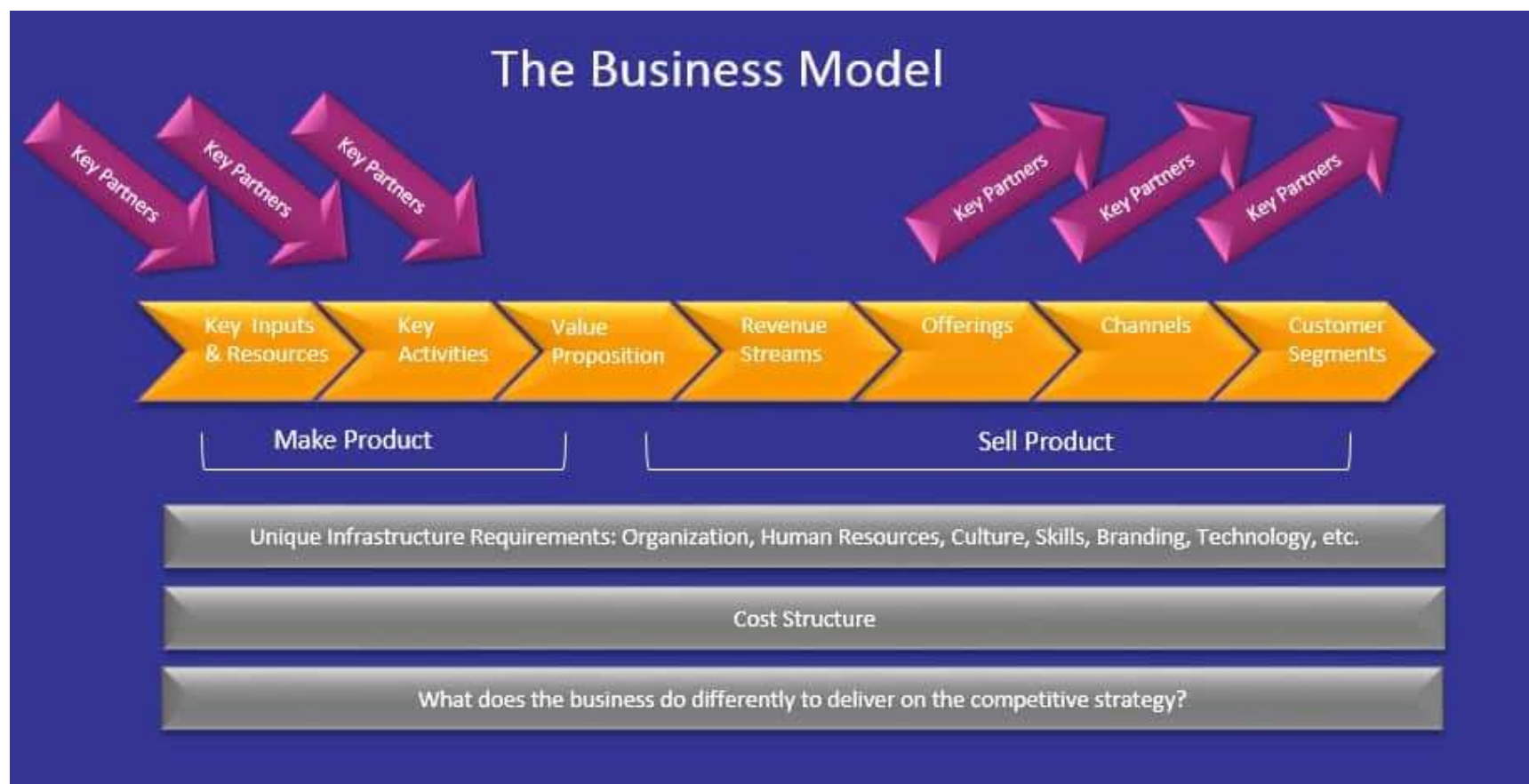


Table 1. Diagram of business model



<b>Self-Check -7</b>	<b>Written Test</b>
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**Directions:** Answer all the questions listed below. Use the Answer sheet provided in the next page:

1. What is a Business Plan? (1pts)
2. Develop is a Business Plan model for dairy animals? (10pts)
3. What the important information should be contains during developing business plan. (10pts).
4. There are many important reasons for drawing up a business plan for different agriculture sectors. List at least four the most important points. (4pts)

**Note: Satisfactory rating - 25 points**

**Unsatisfactory - below 25 points**

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

Score = _____
Rating: _____

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

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

**Short Answer Questions**

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_
3. \_\_\_\_\_  
\_\_\_\_\_
4. \_\_\_\_\_  
\_\_\_\_\_





MINISTRY OF AGRICULTURE



<b>Operation sheet-1</b>	<b>Identifying a Business Opportunity</b>
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### **Steps following for identifying a business opportunities**

Step 1: Identify your passion for a product or a service

Step 2: Observe the market reality for the product/service

Step 3: Analyze customers' state of mind with respect to the product/service

Step 4: Look for gaps in the areas: Price, Packing, Quality and Distribution

Step 5: Analyze the competition

Step 6: Identify the gap between customers' need and competition's offer

Step 7: Fill the gap with your core strengths

Step 8: Find out the size of the market







MINISTRY OF AGRICULTURE



**Operation Sheet- 2**

**Techniques of writing report for feasibilities study of business**

### **Procedures for writing report of feasibilities study of business**

- Step 1: Write the project description
- Step 2: Give some possible solutions
- Step 3: Describe the evaluation criteria
- Step 4: Pinpoint the most feasible solution
- Step 5: Write the conclusion





<b>LAP Test</b>	<b>Practical Demonstration</b>
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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 5 hour.

Task 1 Steps to be followed for identifying a business opportunities

Task2. Techniques of writing report for feasibilities study of business





## Reference

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- <https://www.smartcompany.com.au/startupsmart/advice/business-planning/four-ways-to-identify-more-business-opportunities/>
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# **Horticultural Crop Production**

## **Level-II**

# **Learning Guide-81**

**Unit of Competence: Develop Business practices**

**Module Title: Developing Business practices**

**LG Code: AGR HCP2M20 LO2-LG-81**

**Code: AGR HCP2TTLM 0120v1**

**LO 2: Identify personal business skills**



<b>Instruction Sheet</b>	<b>Learning Guide # 81</b>
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This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Identifying financial and business skills available
- assessing and matching *personal skills/attributes*
- Identifying and assessing *business risks*

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

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

- Identify financial and business skills available
- assessing and matching *Personal skills/attributes*
- *Business risks* are identified and assessed

**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 “Sheet 1- 3”
4. Accomplish the “Self-check 1- 3 respectively.
5. If you earned a satisfactory evaluation from the “Self-check” then processed to the next.



<b>Information Sheet -</b> <b>1</b>	<b>Identifying financial and business skills available</b>
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Here are the essential soft skills (people skills or anything that is not a technical skill) that you will need to learn or import to help you to succeed in your business:

### Delegation Skills

Delegation involves assigning responsibility to other people for the completion of work. The ideal position that you want to obtain is one where your staff carries out all the routine activities of your business. Effective delegation involves achieving the correct balance between effective controls and allowing people to complete their job effectively. The key element is knowing how to make your business work, rather than your business working you!

### Communication Skills

Communication is an important part of life and is one that is often taken for granted. When you think about it, almost everything you do requires improved communications. To be effective in business, you have to communicate well. When you hire a new employee, good communication skills help you select the right person. When you communicate with your various stakeholders, you need to be clear about your expectations and to be sensitive when dealing with problems. The key is to know how to effectively communicate your vision with passion and conviction.

### Negotiation Skills

Almost everyone negotiates informally on a daily basis without even being aware of it. Formal negotiation is a skill that can be learned through experience and practice. People who negotiate frequently tend to be more skilled at it than people who have not participated in many formal/informal negotiations. Experienced people are more likely to know what to say, when or when not to say it, or when or when not to make concessions. The key is to know how to develop a win-win approach in negotiations with all parties, but at the same time keeping in mind that you also want to obtain the most favorable outcome possible for yourself.

### Strategic Planning





Strategic planning is a very important business activity. Strategic planning is a process of defining your company's strategy or direction and making decisions on allocations of resources of capital and people. The key is to know how to project your company's future performance, within a three-to-five year framework or more, supported by your well-defined business plan.

### Leadership Skills

Leadership is a process of getting things done via people. Leadership, a critical management skill, is the ability to motivate a group of people toward a common goal. Leadership is also the ability to take charge, assemble, mobilize, and motivate teams. The key is to know how to forge long-term relationships with prospects, customers, suppliers, employees, and investors.

### Team Building Skills

Team-building and teamwork skills are essential for an entrepreneur in today's workplace. People working at their potential in teams generate better solutions and more productivity than individual members working independently. The key is to know how to build teams of employees, partners, advisors, and investors that will help you take your business to the next level.

### Analytical Skills

Today's workplace is becoming more technologically advanced and complex. With this rapid increase of technology, the need for analytical thinking also increases. Analytical thinking is the ability to objectively assess the present state of your business, to determine where you want to be in the future, and what to do in order to close the gap between the present and the future growth of your business. The key is to know how to gather, review, and evaluate data that is necessary to formulate and express compelling arguments.

### Sales and Marketing Skills

Establishing successful sales and marketing methods and policies - from pricing and advertising to sales techniques - are essential in growing your business. The ability to analyze your competition, the marketplace, and industry trends are critical to the development of your marketing strategy. The key is to know how to craft and





communicate a compelling message to the right target audience that generates new business, and in turn, builds profitable revenue streams.

### General Management Skills

Management involves directing and controlling a group of one or more people for the purpose of coordinating activities that will accomplish a goal. Management encompasses the deployment and direction of human resources, financial resources, and technological resources. The key is to know how to develop and implement a workable management system that will manage daily operations, nurture stakeholders, and support business growth.

### Cash flow Management Skills

Cash flow is generally acknowledged as the single most pressing concern of the small and medium-sized businesses. In its simplest form, cash flow is the movement of money in and out of your business. Cash flow is the life-blood of all growing businesses and is the primary indicator of business health. The effect of cash flow is real, immediate and, if mismanaged, totally unforgiving. The key is to know how to monitor, protect, control, and put cash to work.

### Financial Management Skills

The activity of finance is the application of a set of techniques that individuals and businesses use to manage their money, particularly the differences between income and expenditure and the risks of their investments. The need for timely budgeting and reporting of financial performance is of the utmost importance. The key is to know how to interpret and analyze your financial statements, in such a way, as to identify the items that are adversely affecting your profitability.

### Time Management Skills

Time Management is a set of related common-sense skills that help you use your time in the most effective and productive way. Time Management is a very important skill to master. Learning this skill will empower you to achieve more and to use your time wisely. The key is to know how to manage your time efficiently and to focus on the activities most likely to deliver value to your business.







<b>Self-Check 1</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

*Directions:* Answer all the questions listed below. Illustrations may be necessary to aid some explanations/answers

1. Mention the essential skill to succeed your business?(5pts)
2. Discuss the concepts of financial and business skill? (5pts)

**Answer sheet:**

1.-----

2.-----

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

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

**Note: Satisfactory rating – 10 points**

**Unsatisfactory - below 10 points**

**You can ask you teacher for the copy of the correct answer**





Information sheet - 2	Assessing and matched personal skill/attributes
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## 2.1 Personal attributes of Successful Entrepreneurs

Successful entrepreneurs are likely to have six attributes that create significant change compared with others. However, many people don't know if they have these attributes until they taste themselves:

1. **Ambition:** a strong desire to do business to achieve a certain goal. It typically requires determination and hard work.
2. **Creativity:** the use of the imagination to develop/create unique business ideas.
3. **Tenacity:** the determination to make the business idea practical.
4. **Risk tolerance:** is an important component in investing. You should have a realistic understanding of your ability and willingness to justify the investments; if you take on too much risk, you might panic and sell at the wrong time.
5. **Intuition:** the ability to understand something immediately, without the need for conscious reasoning
6. **Personality:** the combination of characteristics or qualities that form an individual's distinctive character.

The future belongs to entrepreneurial societies: the importance of entrepreneurial resources as a critical input in the process of economic development has been widely recognized by scholars and policy-makers.

### → Entrepreneur concepts

-Entrepreneurs are people who have the ability to see and evaluate business opportunities, together with the necessary resources to take advantage of them and to initiate appropriate action-oriented, highly motivated individuals who take risks to achieve goals.





## Personal qualities as an entrepreneur



Being an entrepreneur is more than a job or a career, it is a life style. It is very important to judge personal qualities in a realistic manner. The following questions will give some indication of your entrepreneurial qualities

1. Does your work require being self reliant?
2. Are you usually self motivated to achieve goals?
3. Do you work well with other people?
4. With in a group of people, do you usually assume a leader ship role?
5. Do you take advantages of opportunities to expand your own knowledge through reading and through attending educational courses?
6. Are you able to communicate well with others?
7. Are you a good listener?
8. Do your accomplishments indicate that you are growing personally and professionally?
9. Do you make decisions easily and confidently?

If the above answers are positive, you can take decisions to go for your own business. If not undergo an entrepreneurship development program so that you acquire the above qualities.

- Entrepreneurs have specific qualities and special strengths. Some of these essential qualities are briefly described below
1. **Need to achieve:** entrepreneur has a strong desire to achieve a higher goal and fulfill his dreams, winning is achievement
  2. **Perseverance:** an entrepreneur is fully absorbed I his goal and course of action. He works hard to complete his project successfully. He is not deterred (discourage) by difficulties and problems.
  3. **Moderate risk taking:** an entrepreneur loves moderate risk situation which exciting but has fair chance of success. He is not a gambler or high risk taker he selects a moderate risk and does not play wild speculative game.





4. Ability to find and explore opportunity: entrepreneur is quick to see and seize (grasp) opportunities. He has innovative mind and converts difficulties in to opportunities. He is also realistic. He plans and anticipates carefully achieving his goals and converts opportunities to his advantage.
5. Analytical ability: entrepreneur approaches problems realistically with out personal likes and dislikes. He has practically approach to business. He will select experts and not friend or relatives to help him when required. He does not take emotional attitude towards his problems.
6. Using feed back: an entrepreneur likes to have immediate feed of his performance. He likes quick and accurate data and information. He is stimulated by unfavorable news and applies more energy to attain his objectives.
7. Independence: an entrepreneur likes to be his own master and wants to be responsible for his own decisions. He does not want to work for others and therefore sets up his own enterprise.
8. Flexibility: an entrepreneur has open mind. He does not hesitate in revising his decisions if situations if situation so demands. He will evaluate his decisions carefully.
9. Plannig: an entrepreneur thinks in future, plans and works to make his plans successful. He will set his goals and plan to achieve within time limits.
10. Interpersonal skills: an entrepreneur likes to work with different types of people and has the skill and has the skill to deal with them. He has to make people work for him, with him and help to attain his objectives.





<b>Self-Check 2</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

*Directions:* Answer all the questions listed below. Illustrations may be necessary to aid some explanations/answers

1. Mention three qualities of an entrepreneur?(5pts)
2. Discuss the concepts of entrepreneur? (5pts)

**Answer sheet:**

1.-----

2.-----

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

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

**Note: Satisfactory rating – 10 points**

**Unsatisfactory - below 10 points**

**You can ask you teacher for the copy of the correct answer**



<b>Information sheet - 3</b>	<b>Identifying and assessing <i>business risks</i></b>
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### What Is Business Risk?

Business risk is the exposure a company or organization has to factor(s) that will lower its profits or lead it to fail.

Anything that threatens a company's ability to meet its target or achieve its financial goals is called business risk. These risks come from a variety of sources, so it's not always the company head or a manager who's to blame. Instead, the risks may come from other sources within the firm or they may be external—from regulations to the overall economy.

While a company may not be able to shelter itself from risk completely, there are ways it can help protect itself from the effects of business risk, primarily by adopting a risk management strategy.

### Understanding Business Risk

Business risk is associated with the overall operation of a business entity. These are things that impair its ability to provide investors and stakeholders with adequate returns. For example, a business manager may make certain decisions that affect its profits or he may not anticipate certain events in the future, causing the business to incur losses or fail.

♣ Business risk is influenced by a number of different factors including:

- Consumer preferences, demand, and sales volumes
- Per-unit price and input costs
- Competition
- The overall economic climate
- Government regulations



The company is also exposed to financial risk, liquidity risk, systematic risk, exchange-rate risk, and country-specific risk. These make it increasingly important to minimize business risk.

A company with a higher amount of business risk should choose a capital structure with a lower debt ratio to ensure it can meet its financial obligations at all times. When revenues drop, the company may not be able to service its debt, which may lead to bankruptcy. On the other hand, when revenues increase, it experiences larger profits and is able to keep up with its obligations.

To calculate risk, analysts use four simple ratios: contribution margin, operation leverage effect, financial leverage effect, and total leverage effect. For more complex calculations, analysts can incorporate statistical methods. Business risk usually occurs in one of four ways: strategic risk, compliance risk, operational risk, and reputational risk.

### Specific Types of Business Risk

#### Strategic Risk

Strategic risk arises when a business does not operate according to the business model or plan. A company's strategy becomes less effective over time and it struggles to reach its defined goals. If, for example, Walmart strategically positions itself as a low-cost provider and Target decides to undercut Walmart's prices, this becomes a strategic risk.

#### Compliance Risk

The second form is compliance risk. This arises in industries and sectors which are highly regulated with laws. The wine industry, for example, must adhere to the three-tier system of distribution, where a wholesaler is required to sell wine to a retailer, who in turn sells it to consumers. Wineries cannot sell directly to retail stores.

#### Operational Risk

This risk arises from within the corporation—when the day-to-day operations of a company fail to perform.





Any time a company's reputation is ruined, either by one of the previous business risks or by something else, it runs the risk of losing customers based on a lack of brand loyalty.

### *Key Takeaways*

- *Business risk is any exposure a company or organization has to factor(s) that will lower its profits or lead it to fail.*
- *Business risk comes from different sources including consumer taste and demand, the overall economy, and government regulation.*
- *While businesses may not be able to completely avoid risk, they can take steps to mitigate the impact including the development of a strategic risk plan.*

### How to Avoid Business Risk

While business risk cannot be avoided as a whole—because they can often be unpredictable— there may be ways in which to cut back the impact:

1. Identify risks: part of any business plan should be to identify and analyze any potential threats to the business. These aren't just external risks—they may also come from within the business itself.
2. Don't wait: Taking action to cut back the risks as soon as they present themselves is key. Management should come up with a plan in order to deal with it head-on before it blows up.
3. Record the risks: Once management has come up with a plan to deal with the risk, it's important to document everything just in case the same situation arises again. After all, risk isn't static—it tends to repeat itself during the business cycle.

Risk management strategy: This is an important factor in any business. Coming up with a strategy—whether it's done before the business begins operations or after it experiences a setback—will help guide the firm through any ups and downs, making the







company better prepared to deal with risks as they present themselves. The plan should have tested ideas and procedures in place in the event that risk presents itself.

Self check -3	Written Test
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Name: \_\_\_\_\_

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

*Directions:* Answer all the questions listed below. Illustrations may be necessary to aid some explanations/answers

1. discuss the ways of avoiding business risks?(5pts)
2. Discuss the concepts of entrepreneur the types of business risks? (5pts)

**Answer sheet:**

1.-----

2.-----

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

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

**Note: Satisfactory rating – 10 points**

**Unsatisfactory - below 10 points**

**You can ask you teacher for the copy of the correct answer**

Reference:





Marder, Eric *the Laws of Choice—Predicting Customer Behavior* (The Free Press division of Simon and Schuster, 1997).



# **Horticultural Crop Production Level-II**

# **Learning Guide-82**

**Unit of Competence: Develop Business practices**

**Module Title: Developing Business practices**

**LG Code: AGR HCP2M20 LO3-LG-82**

**Code: AGR HCP2TTLM 0120v1**

# LO 3: Plan for the establishment of business operation

Instruction Sheet	Learning Guide # 82
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This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:

- Determining and documenting organizational structure and operations
- Developing and documenting procedures
- Securing financial backing
- business legal and regulatory requirements
- Determining human and physical resources
- recruitment and procurement strategies

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:

- Determining and documenting organizational structure and operations
- Developing and documenting procedures
- Securing financial backing
- business legal and regulatory requirements
- Determining human and physical resources
- recruitment and procurement strategies

## 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 “Sheet 1-6”
4. Accomplish the “Self-check 1-6” respectively.
5. If you earned a satisfactory evaluation from the “Self-check” Then proceed to the next.



<b>Information Sheet-1</b>	<b>Determining and documenting business structure and operations</b>
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An operational structure describes a logical and chronological structure of an operation of single sequences and events in processes. A symbolic illustration of sequences and events over an absolute or relative timeline is typical for an operational structure. The composition of the elements is based upon the relations between them with applied classification principles. Location must also be considered.

Resources are described as all elements that a company needs as input for the production process. You can distinguish between financial (e.g. capital resources), physical (e.g. machinery), human (e.g. skills of employees and managers) and organizational (e.g. logistic systems) resources. Furthermore it is possible to distinguish between material (tangible) and immaterial (intangible) resources. The first category includes for example machinery and the employees. Immaterial resources are elements such as licenses, expert know-how, ideas, innovation competences, scientific and R&D skills, corporate culture and reputation of the company.

Material resources have the characteristics that they can only be used in one location at a given time. Therefore their contribution is limited regarding the creation of a competitive advantage. Immaterial resources however have multiple effects, as they can not only be used simultaneously in different location but can also contribute to an increase in value by their multiple usages.

New small businesses grow with the commitment and diversification of the product/service reacting and adapting as needed. A small-business owner seeks a formal organizational structure to serve as a framework for growth. Organizational structures fix the scope of jobs, group operational activities together in some fashion and provide for superior-subordinate and peer relationships. Decisions leading to the best structure for a particular business weigh the company's circumstances, aspirations and character. Operation is one of the aspects considered by a small-business owner who's creating an organizational structure.



Factors to consider in creating organizational structure are:

### 1. Specialization

The first step in creating an organizational structure is determining all the needed tasks and then creating job positions. Specialization refers to how narrow or wide the scope of each job is. If a small business needs operational efficiency, the owner may opt for narrow job specialization. Employees tackle small tasks repeatedly, becoming faster and more efficient over time. Such routine jobs require fewer supervisors in the structure than do complex jobs.

### 2. Departmentalization

Also fundamental to structure is how jobs are grouped together to best tackle operations. It's often practical to departmentalize jobs by similarity. Grouping together jobs according to functions such as manufacturing allows for resource sharing and increased efficiency. Instead of choosing such a functional structure, creative businesses such as marketing firms might group people into teams featuring a mix of functional experts who contribute to the success of client projects.

### 3. Operational Goals

A company's objectives and goals will help shape structure. For instance, if the goal is to standardize operations, the company needs a structure that lets the owner exert control over work processes. Control can be achieved by defining set work procedures—something the functional structure supports well. A company aiming to be a leader will choose a less controlled structure—such as the team structure—that fosters employee innovation.

### 4. Range

The range of operations influences structure. Companies operating in more than one location or that have a range of products or different target markets may choose a structure that can provide to these circumstances. The divisional structure allows a small business to create divisions that dedicate efforts to a customer type, product line or place. The structure allows each division to adapt its operations as needed.

### 5. Technology

The technology used in operations may become a deciding factor in creating departments. Phases in a manufacturing process might dictate separate departments if



the technologies used in the different phases require different locations and skills. Today's communication technologies allow small businesses to improve their operation and diversify their market. This allows a small business to easily expand or contract operations as needed.





<b>Self-Check -1</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. Write the factors affecting for consider in creating organizational structure. (5pts)
2. What is the importance of draw functional organizational structure for business? (3pts)

**Answer sheet**

1. \_\_\_\_\_

2. \_\_\_\_\_

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

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

**Note: Satisfactory rating - 8 points**

**Unsatisfactory - below 8 points**

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





<b>Information Sheet-2</b>	<b>Developing and documenting procedures</b>
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## 2.1. Purpose of a Procedure to guide operation

The purpose of developing procedures generally is to serve as guiding material. In addition, an important purpose of procedures is to ensure consistency. Procedures are designed to help reduce variation within a given process. Clearly stating the purpose for your procedure helps you gain employee cooperation, or compliance, and it instills in your employees a sense of direction and urgency.

Business Procedure is a particular way of accomplishing something in an established way of doing things in a series of steps that, when followed in a definite regular order, ensure consistent results.

The number-one rule of procedure writing is to make sure there's a reason to create them. Perhaps people forget to take certain actions, perhaps they keep on getting things wrong, or perhaps tasks are so long and complex that people need a checklist if they're going to get things right.

A written procedure is necessary if the issue is important or if there will be a significant benefit from clarifying a process. Before you begin, ask yourself if people really need or want to know about something.

Procedures are developed and documented to guide operation as a manual. Some of the manuals include financial manual, operational manual, production manual, purchasing manual and other manuals to be adopted from the government should be developed. Please refer these manuals in your cooperative training when you are assigned at cooperative training.

- ✓ Financial manual: It helps to establish financial controls within the organization that ensure accuracy, timeliness and completeness of financial data.
- ✓ Operational manual: the document provides the framework upon which employees all base their approach to performing their duties.
- ✓ Production manual: is a manual that indicates the steps of production to be followed.







- ✓ Purchasing manual: is a guide book to show how the firm acquires its goods and services of all kinds. Its purpose is to educate both employees and vendors in how to buy and sell a firm's product/service.





<b>Self-Check -2</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. What is the Purpose of Procedure to guide operation? (2pts)
2. Discuss the Financial manual, Production manual and Purchasing manual for operation of business. (3pts)

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

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

**Answer sheet**

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

**Note: Satisfactory rating - 5 points**

**Unsatisfactory - below 5 points**

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



<b>Information Sheet-3</b>	<b>Securing financial backing</b>
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Starting and running a business requires finance. Business persons identify various sources of finance including personal saving, debt, family support, from friends, sell of stock, contribution of partners and government support.

Unless you personally have deep pockets, such as inherited wealth, figuring out where you're going to get the money to start your own business and getting the financing in place beforehand is going to be one of the most important components of planning your business.

Finding adequate business startup money is especially critical because there's no guarantee that your business is going to make money right away, and certainly no guarantee that your new business will bring in enough money for you and your family to live on. You can't start a business without start-up capital, the total amount of money you need to open your doors for business, and to keep them open until sufficient revenue can be depended on.

A business is the physical entity for an entrepreneur's dreams and vision, however, it needs more than the owner's dedication and determination to survive and become profitable. The competence and dedication of the human resource for each department of the business is a crucial aspect that contributes to the growth of a business and the backbone is formed by the input of financial resources. Funds are an integral part of not only starting a small business but also keeping it going with constant inflow of working capital. So, when you have a business proposition in mind or maybe you have already started your own venture, you would still need access to instant cash at a short notice, time and again and the most feasible option for you in this case would be to opt for instant business loans from a reliable financial lender.

The instant business loans are the best way to meet an entrepreneur's need for fixed and working capital. Starting from the purchase of plant and machinery, space, fixtures, raw materials, etc., to the regular payments to suppliers and vendors, the instant business loans can be the best way to invest ready cash into any small or large business, whether it's a startup or an already established entity. Make sure you find out





all about the terms and conditions about a financial loan and compare the various market rates, before you actually opt for any loan plan to sustain your business venture.





<b>Self-Check -3</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. What is the word of business? (1pts)
2. Let's one micro small enterprises needs to start a business on dairy animal production. So, what are the finance sources uses to start his / her business run. (4pts)

**Short Answer Questions**

Score = _____
Rating: _____

1. \_\_\_\_\_  
\_\_\_\_\_
2. \_\_\_\_\_  
\_\_\_\_\_

**Note: Satisfactory rating - 5 points**

**Unsatisfactory - below 5 points**

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



<b>Information Sheet-4</b>	<b>Business legal and regulatory requirement</b>
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#### 4.1 What is business legal and regulatory requirements

Legal refers to laws passed by a state and/or central government, while regulatory refers to a rule issued by a regulatory body appointed by a state and/or central government.” Legal requirements are those requirements which are applicable by virtue of law enacted by the government.

##### → What are regulatory agreement requirements for business?

Regulatory agreement is an organization's adherence to laws, regulations, guidelines and specifications relevant to its business processes. Violations of regulatory compliance regulations often result in legal punishment including federal fines.

##### → What is the difference between legal and regulatory compliance

Regulatory compliance is an organization's adherence to laws, regulations, guidelines and specifications relevant to its business.

Legal compliance is that our company must comply with all laws, rules and regulations applicable to its operations and business activities.

#### 4.1 Legal responsibilities of business

Typically, most business will have some legal responsibilities relating to:

- ❖ Business structure and registrations.
- ❖ Licensing.
- ❖ Selling goods and services.
- ❖ Contracts.
- ❖ Leasing premises.
- ❖ Employing staff.
- ❖ Occupational health and safety.
- ❖ Privacy and information protection.



Starting your own business is both exciting and challenging. After doing your research, writing a business plan or roadmap, and deciding on a business structure, you'll want to consider the other legal requirements involved so your business operates with all of the required licenses and permits.

More often than not, independent contractors aren't willfully avoidant of these laws; they are simply unaware of what is necessary. Here are five important legal requirements to review and understand before launching your small business.

#### A. Decide on a Business Structure

When you have determined the viability of your business concept and you're ready to set up your business, one of the first steps is to register your name. But before doing so, you must decide if you're going to be a sole proprietorship, a partnership, a corporation, or a society. Each has important implications for liability, taxation, and succession planning.

#### B. Register Your Business

When you operate your business under a name other than your own, you need to register that name because you will require proof of business registration to open bank accounts, apply for loans, and many other business start-up and business building activities. Steps;

1. Submit your business name request
2. Register your business

#### C. Get Required Business Permits and Licenses

Just like any other business, independent contractors must obtain proper permits and licenses. Depending on your industry and where your business is located, you may need to be licensed on the federal level as well as on the state level. Federal licenses are required for businesses involved in any sort of activity that is supervised and regulated by a federal agency





#### D. Get an EIN

Any business that operates as a corporation or partnership or has employees will need an Employer Identification Number (EIN) from the government. An EIN identifies your business for tax purposes—think of it as a Social Security number for your business—and you can use to open a business bank account, file tax returns, and apply for business licenses.

#### E. Prepare to Pay State and Local Taxes

In addition to federal taxes, independent contractors are also required to pay state and local taxes—self-employment, payroll, income, sales, and property tax. These taxes will vary from state-to-state and are based on your business structure. If your company has employees, you will also be responsible for paying state unemployment taxes.







<b>Self-Check -4</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. list the legal responsibilities business.(5pts)
2. What is the difference between legal and regulatory compliance. (5pts)
3. Write the five important legal requirements to review and understand before launching your small business.(5pts)

**Answer sheet**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Score = _____
Rating: _____

**Note: Satisfactory rating - 15 points**

**Unsatisfactory - below 15 points**

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



### 5.1. Concepts human resource

Any organization is as good as its people. Without competent and skilled man power, no refined technological advancement can yield the result anticipated. In order to achieve the objectives of an organization having competent human resource is vital.

So we need to determine the human resource requirements of an organization through man power planning & job analysis the next step is to acquire these personnel. This involves location of such personnel, motivating them to be potential candidates & selecting the personnel who fit with organizational & job requirements.

Human resources planning:-is the process of identifying and analyzing the need for and availability of human resources so that the organization can meet its objectives.”

Purpose and Importance of human resource plan

1. helps to determine future need for personnel
2. Eliminates any gaps that may exist between HR supply and demand.
3. Assesses the kind of skills required to be recruited and developed.
4. Provides information about existing strengths and weaknesses of people in the organization.
5. Helps in the control of budget, controls wage and salary costs.
6. Lays a foundation for other HRM activities

### 5.2 Physical resource

The category of physical resources covers wide range of operational resources concerned with the physical capability to deliver strategy.

A. Transport: The selection of vehicles required will depend not just on the type of goods or services which are being produced, but on the distribution channels and the relative locations of the customers.

B. Fixtures and fittings: These are essentially the items within the premises which are attached to the structure, or which are necessary to the production of the goods or services, but not directly involved in their creation or provision.



C. Plant and machinery: This heading not only includes things like production machinery, but items used in materials handling such as weighing, packaging and labeling equipment, lifts and conveyor belts and rollers, power tools, and hand-held equipment.

D. Furniture and office equipment: This category will include not just the items within any management or administrative offices, but also the carpets, easy chairs, display material that may be located in a reception area for visiting customers; and of course the tea and coffee cups, or microwave oven for staff use.

E. Resale stock: Anyone involved in wholesaling or retailing will need to identify what stock has to be held at any one time. As stock is sold, more is bought in to replace it and to replenish stock levels, and as the business grows, so the average level of stock held may need to be increased.

F. Raw materials and components: This is a similar situation to the purchase and holding of stock for resale, only the initial purchase costs may be relatively larger, particularly if credit is given to distributors or customers.

G. Materials and consumables: These are the items which are purchased, used and replaced on a fairly regular basis as part of the administration or running of the business. They would include stationery, envelopes, protective clothing, safety wear, computer and printer, the tea, coffee and sugar etc.

H. Public utilities: By these we mean the suppliers of electricity, gas, telephones, water supply, sewage disposal, and waste disposal services.





<b>Self-Check -5</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. List the main physical resource in business area.(2pts)
2. What is the Purpose and Importance of human source planning in the business areas? (2pts)

**Answer sheet**

1. \_\_\_\_\_
2. \_\_\_\_\_

Score = _____
Rating: _____

**Note: Satisfactory rating -4 points**

**Unsatisfactory - below 4 points**

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



<b>Information Sheet-6</b>	<b>Recruitment and procurement strategies</b>
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Recruitment strategy connects all important recruitment components and human resource components, as a firm realizes its strategic goals. The recruitment strategy defines the unique mix of:

- Position of the organization on the job market
- Recruitment channels to be used for attracting candidates
- Recruitment style of the organization
- Differentiators from competitors on the job market
- Recruitment processes and procedures
- Recruitment metrics

Human resource strategy governs the human resource management approach in the organization. The recruitment strategy has to follow the ideal candidates' profiles, recruitments to be included in the recruitment process and corporate culture visible in the job advertisement. The recruitment strategy defines:

- Techniques and tools for the recruitment of employees
- Strategies for the recruitment of experienced workers
- Competitive advantage in the recruitment area

#### ➤ Meaning of Recruitment

Once an organization identifies its human resource needs through employment planning, it can begin the process of recruiting potential candidates for actual or anticipated organizational vacancies.

Recruiting brings together those with jobs to fill and those seeking jobs.

Is a process of finding and attracting capable applicants for employment? The process begins when new recruits are sought and ends when their applications are submitted.

The result is a pool of applicants from which new employees are selected. Recruitment of candidates is the function preceding the selection, which helps create a pool of prospective employees for the organization so that the management can select the right candidate for the right job from this pool.



The main objective of the recruitment process is to expedite/accelerate the selection process. Its main goal is to generate a pool of qualified candidates and discourage unqualified ones from applying.

#### Purpose & Importance of Recruitment:

- Attract and encourage more and more candidates to apply in the organization.
- Create a talent pool of candidates to enable the selection of best candidates for the organization.
- Determine present and future requirements of the organization in conjunction with its personnel planning and job analysis activities.
- Recruitment is the process which links the employers with the employees.
- Increase the pool of job candidates at minimum cost.
- Help increase the success rate of selection process by decreasing number of visibly under qualified or overqualified job applicants.
- Help reduce the probability that job applicants once recruited and selected will leave the organization only after a short period of time.
- Meet the organizations legal and social obligations regarding the composition of its workforce.
- Begin identifying and preparing potential job applicants who will be appropriate candidates.
- Increase organization and individual effectiveness of various recruiting techniques and sources for all types of job applicants

#### Recruitment Process:

Recruitment process involves a systematic procedure from sourcing the candidates to arranging and conducting the preliminary interviews. A general recruitment process is as follow

1. Planning
2. Strategy Development
3. Searching
4. Screening
5. Evaluation and Control





### Recruitment Planning:

- It involves the translation of likely job vacancies and information about the nature these jobs into a set of objectives that specify the number and type of applicants to be planned.

### Strategy Development:

- Make or buy employees
- Technological sophistication of recruitment and selection devices
- Geographic distribution of labor markets comprising job seekers
- Sources of recruitment
- Internal
- External

### Searching:

- Message and media deserve attention in the organization
- Message refers to the employment advertisements
- Media refers to any channel that can be used to announce employment advertisement message

### Screening:

- The purpose of screening is to remove from the recruitment process at an early stage, those applicants who are visibly unqualified for the job
- Effective screening can save a great deal of time and money care must be exercised to assure that potentially good employees are not lost

### Evaluation and Control:

- It is necessary as considerable costs are incurred In the recruitment process
- Statistical information should be gathered and evaluated to know the suitability of the recruitment process.

### Sources of Recruitment:

- Place where qualified individuals are found

<b>Internal</b>	<b>External</b>
<ul style="list-style-type: none"> <li>• Transfers</li> </ul>	<ul style="list-style-type: none"> <li>- Job advertisements</li> </ul>



- 
- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• Promotions</li> <li>• Demotions</li> <li>• Retired employees</li> <li>• Retrenched employees</li> <li>• Dependents and relatives of deceased and disabled employees</li> </ul> | <ul style="list-style-type: none"> <li>- Educational institutes (Campus recruitment)</li> <li>- Employment agency</li> <li>- Unsolicited applicants</li> <li>- Employee referrals /recommendations</li> <li>- Recruitment at factory gate (Unskilled workers)</li> </ul> |
|---|--|
- 

### Advantages and Disadvantages of Internal Recruitment

#### Advantages

- Employees are already familiar with company
- Can boost employee morale
- Rewards good work of current employees
- Easier to judge candidates internal appraisals and Less costly

#### Disadvantages

- Lack of “new blood” or can produce organizational inbreeding
- Departments can “raid” other departments for best employees
- Leaves another internal vacancy

### Advantages and Disadvantages of External Recruitment

#### Advantages

- Brings in new ideas
- Helps organization get needed competencies
- A larger field of candidates

#### Disadvantages

- May negatively impact morale and cohesion
- Time needed for new employee to learn “ropes”
- Usually more costly than internal recruiting and May result in misplacements





<b>Self-Check 6</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

**Directions:** Answer all the questions listed below. Illustrations may be necessary to aid some explanations/answers.

1. Write Purpose & Importance of Recruitment business.(2pts)
2. Describe the external and internal advantage of and dis advantage of recruitment business respectively.(4pts)

**Answer sheet**

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

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

1. \_\_\_\_\_

2. \_\_\_\_\_

**Note: Satisfactory rating - 6 points and above    Unsatisfactory - below 6points**

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





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# **Horticultural Crop production**

## **Level-II**

# **Learning Guide-83**

**Unit of Competence: Develop Business practices**

**Module Title: Developing Business practices**

**LG Code: AGR HCP2M20 LO4-LG-83**

**Code: AGR HCP2TTLM 0120v1**

**LO4: Implement establishment  
plan**

**Instruction Sheet****Learning Guide # 83**

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

- ➔ Marketing the business operation
- ➔ Obtaining Physical and human resources
- ➔ Establishing operational unit
- ➔ Developing and implementing monitoring process
- ➔ Maintaining Legal documents ,recording and updating
- ➔ Negotiating and securing contracts with relevant people
- ➔ Options for leasing/ownership of business premises

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:

- ➔ Market the business operation
- ➔ Obtain Physical and human resources
- ➔ Establish operational unit
- ➔ Develop and implement monitoring process
- ➔ Maintain Legal documents ,recording and updating
- ➔ Negotiate and securing contracts with relevant people
- ➔ Options for leasing/ownership of business premises

**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 “Sheet 1-7”respectively,
4. Accomplish the “Self-check 1-7” respectively.
5. If you earned a satisfactory evaluation from the “Self-check” proceed to “Operation Sheet 1 - 2”.
6. Do the “LAP test” (if you are ready) and then processed to the next



<b>Information Sheet-1</b>	<b>Undertaking market the business operation</b>
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Marketing is Association of the activities, set of institution and process for creating, communicating, delivering and exchanging offers that have value for customers, client's partners and society at large.

### The Five Key Steps of the Marketing Process

#### 1. Targeting Consumer Wants

The first step of the marketing process is analyzing and comprehending the current marketplace. Understanding what people want is essential to beginning a successful marketing campaign. After finding a potential niche for a product or service, marketers must conduct research about competitors and similar items currently available on the market. After identifying these factors, an overall plan must be established to launch the good or service. Sales methods, franchising, and partnerships are all aspects of the product launch that must be examined before production can take place.

#### 2. Establishing a Consumer-Driven Sales Strategy

After finding a profitable niche, a unique strategy must be established to market to the intended target audience. This step of the marketing process is essential, as a method must be constructed that not only will be profitable for the company, but also for the consumers. Market segment analysis is often done to break down the population into smaller groups, so the target audience can be found.

#### 3. Creating Consumer Value

The next step of the marketing process is finding a way to create a product that offers consumers value for their money. In this step, the four "P's" of marketing come into play. The first "P" is the product itself; it needs to be something society wants. Additionally, it must be well made and fill a void present in the market. The next "P" in this step of the marketing process is the price of the good or service. Researchers must conduct surveys to establish a price that consumers will pay, without feeling ripped off or cheated. Place is the next "P" that plays a role in marketing. Different venues need different goods or services, so by establishing where the product or service will launch





is essential. Finally, promotion methods that accurately represent the good or service to the market need to be laid out.

The marketing mix elements base on the 4Ps which are associated with the 4Cs.

4Ps	4Cs
- Product .....	Customer solution
- Price .....	Customer cost
- Promotion .....	Communication
- Place .....	Convenience

#### 4. Maintaining Consumer Satisfaction

After the product has been officially launched, keeping up consumer satisfaction is essential to the marketing process. In order to expand the current market share of a good or service, new customers must constantly be found, acquired, and convinced to purchase from you. If the company's reputation is not maintained properly, it can become increasingly difficult to find additional consumers interested in your good or service. In addition, people that have already purchased from your company must be treated properly. Mistreating this group of people will not only lead to negative publicity, but can also harm your chances of having repeat business in the future?

#### 5. Creating Profits for the Company

The final step of the marketing process is a culmination of all of the pervious steps. When all of the other parts of the process are running smoothly, a company should be operating profitably. If a service is being marketed, customer retention is essential for turning a profit. If consumers believe they are receiving value, they will typically remain loyal to your brand, which is extremely valuable in the long run.

The marketing activities of businesses revolve around the following core concepts of marketing:

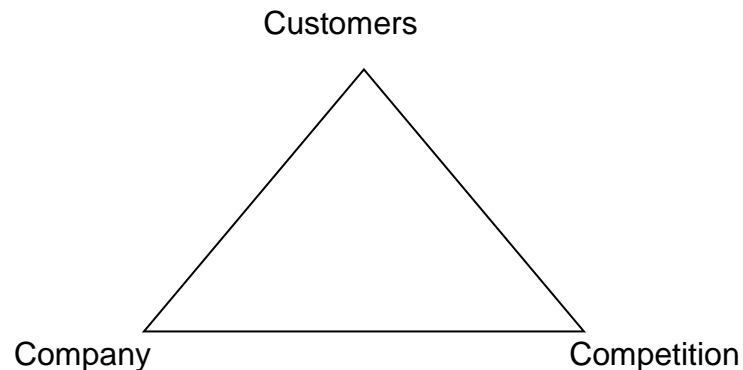
- Needs, wants, desire/demand
- Products, utility, values and satisfaction
- Exchange, transaction, and relationships
- Markets, marketing and marketers.





The emerging approach to micro, small and medium enterprises development has many parallels to the recent revolution in microfinance. Business success rely on how organizations manage their marketing. Marketing is responsible for assuring the customers know and are informed about the products or services you have to offer.

The marketing triangle:



A customer is anyone who is in the market looking at a product / service for attention, acquisition, use or consumption that satisfies a want or a need.

Value - the value or benefits the customers gain from using the product versus the cost of obtaining the product.

Satisfaction - Based on a comparison of performance and expectations.

As a priority, we must bring to our customers “what they need”. We must be in a position to understand their problems. Or in a new situation to give them a chance to avoid the problems.





## The 4 Steps of a Successful Marketing Process



Whether you're working on a high-level marketing plan or the details of a particular marketing campaign, there are four steps that you need to follow if you want the marketing process to be successful. Of course, the real starting point of the marketing process is always your overall business goals, since your marketing program will be designed to help you accomplish these. Once your business goals are defined, here are the four steps of a successful marketing process:

1. **Discovery:** What's going on in your marketplace? What are the best target markets for your product or service? Where are your current customers located? What is your competition doing? Discovery is all about doing your research and performing a detailed market, customer and competitive analysis. Taking the time to do this will ensure that your plans are based on metrics and reality rather than on gut feelings and wishful thinking.

2. **Strategy:** All of the information you gather in step #1 is then used to help make your decisions as you create your marketing plans. How will you go to market? What is your overall marketing strategy and what are your individual campaign strategies? Before you move forward you'll need to clearly define goals and objectives, determine the appropriate marketing channels, etc.

3. **Implementation:** Implementation is where you put your targeted, cost-effective marketing campaigns into action. Before you implement, though, you need to be sure that you have all of the pieces in place. Do you have the resources to complete the implementation in-house, or do you need to bring in third-party vendors to get the job done? Have you thought of all of the information you need to collect from responders in order to allow for back-end campaign metrics, and put systems in place to ensure this data is captured? Is everyone in the company aware of the campaign?

**Measurement:** The measurement phase of the marketing process is where you take a close look at the results of the campaign in order to refine your strategies before moving forward. Measuring results enables you to make intelligent decisions regarding how to allocate resources for the next move.





<b>Self-Check -4</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. What are the core concepts of marketing activities of businesses revolve?(2pts)
2. List four Steps of for Successful Marketing Process. (2pts)
3. What is marketing in business area. (2pts)

**Short Answer**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

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

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

**Note: Satisfactory rating - 6 points**

**Unsatisfactory - below 6 points**

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



<b>Information Sheet-2</b>	<b>obtaining physical and human resource</b>
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## 2.1 Implementation of human and physical resource

Human resource planning is a process by which an organization ensures that it has the right number and kind of people at the right place and at the right time, capable of effectively and efficiently completing those tasks that help the organization achieve its overall objectives. Human resource process requires estimation of future quantity and quality of manpower required for a firm. The factors are:

External factors: refers to competition, laws and regulation, economic climate, change in technology and social factors.

Internal factors: refers to budget constraints, production levels, new products and services, organizational structure and employee separations.

Human resource plan implementation follows these steps:

- Recruitment, selection and placement
- Training and development
- Re-training and re-deployment
- Retention plan

An organization ensures that it has the right number and kind of people at the right place, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives. It translates the organization's objectives and plans to the number of workers needed to meet those objectives. Human resource planning is forecasting an organization's future demand for and supply of the right type of people in the right number by keeping in mind the current scene. It ensures at what time and in what number different categories of employees will be needed by the organization in future. As a result, neither the work of the organization will suffer for want of employees nor will there be unnecessary rise in costs due to surplus employees.

### Features of Physical Resources

Every business needs resources, whether it's people, money, suppliers, or time. The physical resources include tangible items that are necessary and available for a





business to function. These are items that take space, have a value, and are used in the operation of the company.

Physical resources are necessary for all types of business. Product-based businesses use physical resources for providing the goods for sale and for the operation of the business. Service-based businesses use physical resources to facilitate the delivery of the service, such as having a space to work, tools that are needed for the service, and resources used to support the service.

Let's imagine you own a dry cleaning business. The company offers in-house, same-day service. As a result, you must have washers, dryers, steamers, irons, tables, and racks to hold the clothes. These items represent the physical resources of your business.

#### Materials

Materials are raw goods that will be used in the production of other products. For our example of the dry cleaning business, you do not sell products, only your dry cleaning services. Therefore, you have few, if any, materials.

#### Buildings and Facilities

The physical building you work in is a part of the physical resources of a company. Whether the space is owned or rented, it is used for the purpose of operating your business. By having this space available, you are able to complete your work. There are some occasions when the building and facilities are the revenue generators of the business. For instance, if you own a conference center and rent space for events and meetings, the building and facility is a physical resource that also earns income. Your dry cleaning company includes a parking lot and a building where the equipment is housed for the purpose of cleaning clothes. The building is a resource where the business is operated.

#### Machinery and Supplies

Machinery can be an extremely costly expense for most companies. Depending on the type of business, machinery can be a sizable resource. A manufacturing or production company will require substantial types of machinery. Have you ever seen the inside of a bread factory or the like? Huge machines, interlinked and taking up an enormous





amount of space. On the other hand, an online business that offers education and information does not need much equipment beyond computer hardware and basic office machines, like photo copiers, phones, etc. Your dry cleaning business requires an ample amount of machinery, including washers, dryers, and steamers. Without machinery, your business would be virtually impossible to operate.





<b>Self-Check -2</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. Write the steps which are follow the Human resource plan implementation.(4pts)
2. What is the feature of Physical Resources for running of business? (3pts)
3. List the physical resources uses for working of business. (3pts)

**Answer sheet**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Score = _____
Rating: _____

**Note: Satisfactory rating - 10 points**

**Unsatisfactory - below 10 points**

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





<b>Information Sheet-3</b>	<b>Establishing operational unit</b>
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What is Operations?

Business operations are first and foremost an oversight function that ensures all internal operating groups.

Integrated into the same business plan with well-defined roles and responsibilities, Functioning together as one unit to ensure operational integrity relative to opportunity development, risk management, resource management and allocation, and overall best practices;

Effectively communicating between other functional departments; Participating in the business planning and development strategy process, Operating within the parameters of an integrated budget, and; Adhering to all financial practices while following other established policy, procedures and controls.

Explain the daily operation of the business, its location, equipment, people, processes, and surrounding environment.

Production:-How and where are your products/services produced?.

Explain your methods of:

- Production techniques & costs
- Quality control
- Customer service
- Inventory control
- Product development

Location:-What qualities do you need in a location? Describe the type of location you will have. Physical requirements:

- Space; how much?
- Type of building
- Zoning
- Power and other utilities



Access:-Is it important that your location be convenient to transportation or to suppliers?

Construction? :-Most new companies should not sink capital into construction, but if you are planning to build, then costs and specifications will be a big part of your plan.

Cost: - Estimate your occupation expenses, including rent, but also including: maintenance, utilities, insurance, and initial remodeling costs to make it suit your needs. These numbers will become part of your financial plan.

### Legal Environment

Describe the following

- Licensing and bonding requirements
- Permits
- Health, workplace or environmental regulations
- Special regulations covering your industry or profession
- Zoning or building code requirements
- Insurance coverage
- Trademarks, copyrights, or patents (pending, existing, or purchased)

### Personnel

- Number of employees
- Type of labor (skilled, unskilled, professional)
- Where and how will you find the right employees?
- Quality of existing staff
- Pay structure
- Training methods and requirements
- Who does which tasks?
- Do you have schedules and written procedures prepared?
- Have you drafted job descriptions for employees? If not, take time to write some. They really help internal communications with employees.
- For certain functions, will you use contract workers in addition to employees

### Inventory

- What kind of inventory will be kept: raw materials, supplies, finished goods?
- Average value in stock (i.e., what is your inventory investment)?







- Rate of turnover and how this compares to industry averages?
- Seasonal buildups?
- Lead-time for ordering?

### Suppliers

- Identify key suppliers.
- Names & addresses
- Type & amount of inventory furnished
- Credit & delivery policies
- History & reliability

Should you have more than one supplier for critical items (as a backup)? Do you expect shortages or short term delivery problems? Are supply costs steady or fluctuating? If fluctuating, how would you deal with changing costs?

Credit Policies:-Do you plan to sell on credit?

Do you really need to sell on credit? Is it customary in your industry and expected by your clientele? If yes, what policies will you have about who gets credit and how much? How will you check the creditworthiness of new applicants? What terms will you offer your customers; i.e., how much credit and when is payment due? Will you offer prompt payment discounts (hint: do this only if it is usual and customary in your industry). Do you know what it will cost you to extend credit? Have you built the costs into your prices?



<b>Self-Check -3</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. What is business operations? (2pts)
2. What are the daily operation of the business in the dairy animal farm?(3pts)

**Answer sheet**

1. \_\_\_\_\_

2. \_\_\_\_\_

Score = _____
Rating: _____

**Note: Satisfactory rating - 5 points**

**Unsatisfactory - below 5 points**

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





<b>Information Sheet-4</b>	<b>Developing and implementing monitoring process</b>
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Monitoring is a systematic effort to set performance standards with planning objectives, to design information feedback systems, to compare actual performance with this predetermined standards, to determine whether there are any deviations and to measure their significance and to take any action required to assure that all organizational resources are being used in the most effective and efficient way possible in achieving organizational objective

Monitoring your business activity creates significant value for your enterprise. Whereas managing business performance emphasizes strategy life-cycle management, monitoring business activity focuses on business operations and addresses the management of operational performance. It helps you achieve excellence in your business processes. A holistic performance management initiative mandates that you seamlessly integrate and synergize both levels – operational and strategic. This approach serves your current and future business-planning mandate by helping you differentiate your company through innovation as you increase efficiency by optimizing business processes.

#### Monitoring process

An initial view of the control process reveals that it consists of three basic steps applicable to any persons, items, or processes being controlled.

The three steps are as follows:

1. **Setting standards:** - a standard is a measuring device, quantitative or qualitative, that is designed to help monitor the performance of people, capital, goods, or processes. Standards for comparison can apply to personnel, marketing, production, financial operations, and soon.
2. **Measuring performance:** - asks managers and others to measure performance and determine if performance is in line with the standards. In this step, we should measure the actual performance with standards, when the actual performance matches with the standards; we should not go to the next step. However, when the person or the manager identifies any deviation, he/she takes corrective action.





3. Taking corrective action. Management has noted that a deviation from a standard. A cause or causes for the deviation have been determined. Determining the precise action to take will depend on three things: the standard, the accuracy of the measurements that determined that deviation exists, and the diagnosis of the person or device investigating the cause for the deviation.

Areas of activities where monitoring is required:

- |            |                |
|------------|----------------|
| 1. Sales   | 2. Out puts    |
| 3. Profits | 4. Quality and |
| 5. Costs   | 6. Labor       |





<b>Self-Check -4</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. Write the three basic steps control process reveals of the business.(2pts)
2. Where the activities business area is monitoring required. (2pts)

**Answer sheet**

1. \_\_\_\_\_
2. \_\_\_\_\_

Score = _____
Rating: _____

**Note: Satisfactory rating - 4 points**

**Unsatisfactory - below 4 points**

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





## Information Sheet-5

## Maintaining Legal documents ,recording and updating

Listed below is a detailed summary of the bureaucratic and legal hurdles an entrepreneur must overcome in order to incorporate and register a new firm, along with their associated time and set-up costs. It examines the procedures, time and cost involved in launching a commercial or industrial firm.

### 5.1. Partnership agreement

A partnership agreement allows you to structure your relationship with your partners in a way that suits your business. You and your partners can establish the shares of profits (or losses) each partner will take, the responsibilities of each partner, what will happen to the business if a partner leaves, and other important guidelines.

Here's a list of the major areas that most partnership agreements cover. You and your partners-to-be should consider these issues before you put the terms in writing:

- Name of the partnership
- Contributions to the partnership
- Allocation of profits, losses, and draws
- Partners' authority
- Partnership decision making Management duties
- Admitting new partners
- Withdrawal or death of a partner
- Resolving disputes

### 5.2. Statutory Books

Statutory Books are the official records kept by the company relating to all legal and statutory matters. A company's statutory books are usually kept at the registered office of the company.

The Books should be available to the general public for inspection during reasonable office hours.



The typical contents of a company's statutory book are:

- \* the register of shareholders
- \* the register of company directors and secretaries
- \* the register of company directors' interests
- \* the register of charges
- \* the register of interests in shares if the company is a PLC.

### 5.3. Certificate of incorporation

A certificate of incorporation is a legal document relating to the formation of a company or corporation. It is a license to form a corporation issued by state government. Its precise meaning depends upon the legal system in which it is used.

### 5.4. Franchise agreement

This document is the legal binding contract between the franchisor and the franchisee. It is a meaty document and covers the nitty-gritty detail pertaining to the obligations of the parties (franchisor and franchisee), financial intricacies, operational procedures, length and validity of contract and renewal rights.

### 5.5. Financial documents

Financial documents, also known as financial statements, are used for reporting financial information about a business, in a standardized format. Standard financial documents include a balance sheet, an income statement, and a cash flow statement.

### 5.6. Constitutional documents

The Company's Memorandum of Association sets out the objects and powers of the Company. The Articles of Association detail the rights attaching to each share class, the method by which the Company's shares can be purchased or re-issued, the provision which apply to the holding of and voting at general meetings; and the rules relating to the Directors, including their appointment, retirement, re-election, duties and powers.





<b>Self-Check -5</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. When you are writing partnership agreements what issues should be cover?(3pts)
2. Write the typical contents of a company's statutory book exist?(2pts)

**Answer sheet**

1. \_\_\_\_\_

2. \_\_\_\_\_

Score = _____
Rating: _____

**Note: Satisfactory rating - 5 points**

**Unsatisfactory - below 5 points**

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







<b>Information Sheet-6</b>	<b>Negotiating and securing contracts with relevant people</b>
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Procurement:-is the process of obtaining goods and services from preparation and processing of a requisition through to receipt and approval of the invoice for payment.

It commonly involves:

1. purchase planning
2. standards determination
3. specifications development
4. supplier research and selection
5. value analysis
6. financing
7. price negotiation
8. making the purchase
9. supply contract administration
10. inventory control and stores
11. disposals and other related functions.

Procurement is the acquisition of goods and/or services. It is favorable that the goods/services are appropriate and that they are procured at the best possible cost to meet the needs of the purchaser in terms of quality and quantity, time, and location. Corporations and public bodies often define processes intended to promote fair and open competition for their business while minimizing exposure to fraud and collusion.

**Benefits of procurement contracts**

- Standardize contract processes: create quality contracts faster and reduce risk by implementing enterprise standards, policies that govern their use, and tools to allow flexible administration
- Reduce time-to-contract: cut negotiation-cycle time with a flexible workflow and revision process that makes legal and commercial terms immediately visible to selected parties.
- Drive contract compliance: track compliance and review the contract details throughout the entire contract lifecycle.





## Stages of procurement

1. Need identification: The procurement process begins with the identification of a purchasing need.
2. Pre-Solicitation: the procurement professional determines the needed goods/services.
3. Solicitation Preparation: the procurement professional identifies stakeholders and critical business requirements, conducting market analysis and selects the best solicitation method to acquire the needed goods/services.
4. Solicitation Process: provides a brief overview of the sourcing tools used by the entities.
5. Evaluation Process: during the evaluation process, the issuing officer in conjunction with the evaluation committee (if any) will review and evaluate the suppliers' responses to determine which suppliers are responsive and responsible.
6. Award Process: begins once the state entity is ready to publicly announce the results of the evaluation process. Once the results of the evaluation process have been published, suppliers may review procurement documents.
7. Contract Process: the contract process begins once the state entity has finalized contract award.





<b>Self-Check -6</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. Write the stage of procurement. (3pts)
2. What is procurement in business operation?(2pts)
3. List the benefits of procurement contracts of business?(3pts)

**Answer sheet**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Score = _____
Rating: _____

**Note: Satisfactory rating - 8 points**

**Unsatisfactory - below 8 points**

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





<b>Operation sheet-1</b>	<b>procurement of Stages</b>
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### **Stages to be followed for procurement**

Step 1: Need identification

Step 2. Pre-Solicitation

Step 3. Solicitation Preparation

Step 4. Solicitation Process

Step 5. Evaluation Process

Step 6. Award Process

Step 7. Contract Process

<b>LAP Test</b>	<b>Practical Demonstration</b>
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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 hour.

Task 1 procurement of Stages



**Information Sheet-7****Options for leasing/ownership of business premises**

### 7.1. Leasing property

A lease is a contract between an owner and a user of property. In business lease agreements, the owner (commonly known in lease arrangements as the lesser) receives financial compensation and in exchange, the tenant (also known as lessee) is given the right to operate his or her business on the property. There are many different types of property lease arrangements that can be made, and many different considerations that business owners should weigh before entering into such a contract.

### 7.2. Types of property leases

1. **Full Service Lease:** This type of lease is used primarily in multi-tenant office buildings. In essence, lessees who agree to such arrangements pay a single lump sum for a wide range of supplementary services in addition to the lease payment.
2. **Gross Lease:** Under the terms of a gross lease contract, the lessee pays the lessor a gross amount for rent (as well as sales tax when applicable). Property costs such as property taxes, insurance, and maintenance are the responsibility of the landlord, while the tenant is responsible for utilities that it uses. Sometimes the lease contract will include provisions that require the tenant to cover property costs that go over a certain specified level.
3. **Net Lease:** The net lease is the most universal of the various lease contract types. Under the terms of a net lease, the tenant pays the landlord a base rent as well as an additional sum that covers the tenant's share of property taxes on the facility.
4. **Percentage Lease:** This arrangement calls for tenants to pay a base rent and/or a percentage of the lessee's gross revenue. This lease arrangement is a favorite of lessors with property in coveted retail areas; the percentage lease is not favored by tenants, but the laws of supply and demand often make it possible for owners of desirable property to insist on it. For small business owners who sign such leases, it is important that they fully understand what the contract defines as "gross revenue."

## Advantages and disadvantages leasing and buying

Understanding the advantages and disadvantages of each option is also critical to your decision-making process. The following tables briefly outline the general advantages and disadvantages of both leasing and buying premises.

Leasing		Buying	
Advantages	Disadvantages	Advantages	Disadvantages
No capital required.	-Because you are subject to a lease you are also subject to variations in rent, including increases. This is despite how well your business is doing.	In times of inflation, real estate is a good investment. Rising rents become an asset rather than a danger to the owner.	Ownership of premises generally ties up capital which may be better invested elsewhere in the business.
If the business is terminated, the tenant may be able to sublet, so the financial loss is minimised.	The landlord may decide to sell the premises. As a result you may be forced to move your business elsewhere. Disruption and loss of customer base may ensue.	Any improvements to the premises become the owner's property, and add to the value of the owner's investment.	You are tied to one spot. You cannot move easily, especially if you find the market isn't there or the area changes.
The tenant may not be responsible for property tax, fire insurance, maintenance and repairs.	You do not have an investment in the property.	Mortgage loans may be used to finance the purchase, so that the actual monthly cash needed from the business may not be that much greater than a lease.	
If the premises become unsuitable, they can be abandoned on expiry of the lease, with no further commitment.		An owner may deduct capital costs on the building as well as maintenance and repair expenses.	



<b>Self-Check -7</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. Mention the advantage and disadvantage of leasing/ownership of business premises.(5pts)
2. What is leasing property? (2pts)
3. Write the types of property leases? (3pts)

**Answer sheet**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Score = _____
Rating: _____

**Note: Satisfactory rating - 10 points**

**Unsatisfactory - below 10 points**

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





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# **Horticultural Crop production Level-II**

# **Learning Guide-84**

**Unit of Competence: Develop Business practices**

**Module Title: Developing Business practices**

**LG Code: AGR HCP2M20 LO4-LG-84**

**Code: AGR HCP2TTLM 0120v1**

**LO5: Review implementation process**



MINISTRY OF AGRICULTURE



<b>Instruction Sheet</b>	<b>Learning Guide # 84</b>
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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
- Implementing and monitoring 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:

- ✚ Develop and implement review process
- ✚ Identifying improvements in business operation
- ✚ Implementing and monitoring 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 “Sheet 1- 3”
4. Accomplish the “Self-check 1- 3” respectively.
5. If you earned a satisfactory evaluation from the “Self-check” proceed to “Operation Sheet 1 2” respectively.
6. Do the “LAP test” (if you are ready) and then processed to the next





<b>Information sheet-1</b>	<b>Developing and implementing review process</b>
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A process is a lateral or horizontal organizational form, that encapsulates the interdependence of tasks, roles, people, departments and functions required providing a customer with a product or service.

A business process is comprised of the people who conduct it, the tools they use to assist them, the procedures they follow and the flows of material and information between the various people, groups and sub-activities. The reasons of Enterprises to use BPR are: to improving efficient business processes, to be industrial leader, to reorganize business functions, and to improve current industry position.

Successful businesses usually use feedback to improve upon the ways things are done. What part of your marketing plan isn't working? Can you improve it? Should you discontinue it? What have customers told you about your product? Is it suitable to the market you envisioned? Run with your marketing strengths. Reevaluate, improve, or drop your marketing weaknesses. Seek new and better methods of marketing your product.

The operational plan is an essential component to your business plan and it tells the reviewer how you're going to get your product/service out to market. That is, how are you going to get your product out of the production stage to the doorstep of you target customer?

- Who is doing what?
- What are the day to day activities?
- How will the suppliers and vendors be used?
- What are the labor requirements?
- What are the sources of raw materials?

Business plan reviewer gives this section a lot of weight because she wants to know what you and your employees are doing to get your product/service out to market. How





you keep track of inventory or what type of equipment you need may seem obvious to you, but remember, the reader doesn't know this. These activities may seem like the kind of details that take care of themselves but these are fundamental and critical for your business success. Why? This is where you translate theory into the practice.

If you are planning to present your plan to a third party reviewer, ask yourself these two questions:

1. Will the reviewer understand the content?
2. How important is the content to the overall understanding and appreciation of the business plan?

The relative importance of an operational plan will depend on the nature of the business. A production facility will probably require significant attention to operational issues.





<b>Self-Check -1</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. What is a business process?(2pts)
2. If you are planning to present your plan to a third party reviewer process. So what are the two questions rises. (3pts)

**Answer sheet**

1. \_\_\_\_\_
2. \_\_\_\_\_

Score = _____
Rating: _____

**Note: Satisfactory rating - 5 points**

**Unsatisfactory - below 5 points**

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





### 2.1 Business process improvement (BPI):

is a strategic planning methodology aimed at identifying the operations or employee skills that could be improved to encourage smoother procedures, more efficient workflow and overall business growth. This process can also be referred to as functional process improvement.

### 2.2 The purpose of business process improvement:

is to meet customer demands and business goals more effectively. Rather than drawing out change management in incremental steps, BPI seeks to bring drastic transformation in an organization's performance.

→ The success of the business refers to:

- Correlations with business partners,
- the improvement of the quality of products and services,
- the reduction in prices and shortening the delivery times, and
- Improvement of its processes, resulting in increased profit while simultaneously decreasing the total costs.

In order to achieve the objectives, companies are required to conduct business engineering. Today it is necessary to redouble efforts to improve the efficiency of processes that have a positive impact on financial performance.

→ A business process improvement (BPI) typically involves six steps:

#### 1. Selection of process teams and leader

Process teams, comprising 2-4 employees from various departments that are involved in the particular process, is set up. Each team selects a process team leader, typically the person who is responsible for running the respective process.

2. Process analysis training:-The selected process team members are trained in process analysis and documentation techniques.



3. Process analysis interview:-The members of the process teams conduct several interviews with people working along the processes. During the interview, they gather information about process structure, as well as process performance data.

4. Process documentation:-The interview results are used to draw a first process map. Previously existing process descriptions are reviewed and integrated, wherever possible. Possible process improvements, discussed during the interview, are integrated into the process maps.

5. Review cycle:-The draft documentation is then reviewed by the employees working in the process. Additional review cycles may be necessary in order to achieve a common view (mental image) of the process with all concerned employees. This stage is an iterative process.

6. Problem analysis:-A thorough analysis of process problems can then be conducted, based on the process map, and information gathered about the process. At this time of the project, process goal information from the strategy audit is available as well, and is used to derive measures for process improvement.





<b>Self-Check -2</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. What is the purpose of business process improvement?(2pts)
2. Write the typically six steps for using of business process improvement.(3pts)

**Answer sheet**

1. \_\_\_\_\_
2. \_\_\_\_\_

Score = _____
Rating: _____

**Note: Satisfactory rating - 5 points**

**Unsatisfactory - below 5 points**

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







<b>Operation Sheet- 1</b>	<b>Process for business improvement operation</b>
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Steps of a business process improvement (BPI)

Step1. Selection of process teams and leader

Step2. Process analysis training

Step3. Process analysis interview

Step4. Process documentation

Step5. Review cycle.

Step6. Problem analysis

<b>LAP Test</b>	<b>Practical Demonstration</b>
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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 hour.

Task 1 Steps to be followed for business improvement process.





To implement changes that have a real effect on the whole organization, look at every change from the customer's viewpoint and before starting to use the many tools and techniques that are available, develop a simple plan that will work:

- a. Have a vision:
- b. What are the business's objectives?
- c. What is working well?
- d. What do we need to change?
- e. Decide what help you will need from consultants and trainers.
- f. Read books and use the internet to collect information

In reality, the first step towards performance improvement is defining your goal. Following a goal setting process will ensure that performance enhancement is made.

### The Goal Setting Process

There are seven steps to setting the goals that will achieve your objectives and improve your performance. Using the above example of improving sales to explain the goal setting process, the seven steps are as follows:

#### 1. Define what you wish to achieve

To begin the process, consider what it is that you broadly want to achieve. For example, you wish to improve your performance by increasing sales.

#### 2. Make sure that your goal is specific and time bound

Once you have determined the broad area of improvement you will need to define your goal more specifically. If you are not specific in your goals then it will be difficult to achieve it, especially if you have not set a timeframe for achievement.

#### 3. State your goals appropriately

The annoying thing is you may have set SMART (specific, measurable, achievable, realistic and time bound) objectives perfectly.



#### 4. Record your goal and have leverage

The more information you give it, the more clarity the final outcome has. Once you have recorded the goal you will need to write down the factors that will motivate you to achieve the goal. It helps to know whether you are motivated towards or away from things.

#### 5. Check your priorities and resources

If you have more than one goal, you will need to prioritize them to ensure that they do not conflict with each other in terms of deadlines and values.

#### 6. Chunk your goals and make yourself accountable

To achieve goals you can chunk it down to smaller goals. This process will enable you to set manageable smaller goals that work towards the larger goal. Make yourself accountable, by telling someone of your goals. This will help focus you on achievement.

#### 7. Check and review progress

This is the final step. It is important to ensure that everything that you do is working towards the performance improvement. By checking and reviewing progress you will be able to adjust your performance accordingly.





<b>Self-Check -3</b>	<b>Written Test</b>
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Name: \_\_\_\_\_

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

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

1. Write the seven steps as follows Goal Setting Process.(5pts)

**Answer sheet**

1. \_\_\_\_\_

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

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

**Note: Satisfactory rating - 5 points**

**Unsatisfactory - below 5 points**

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



<b>Operation Sheet- 1</b>	<b>Goal setting process</b>
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**Steps for goal setting process**

- Step 1. Define what you wish to achieve
- Step 2. Make sure that your goal is specific and time bound
- Step 3. State your goals appropriately
- Step 4. Record your goal and have leverage
- Step 5. Check your priorities and resources
- Step 6. Chunk your goals and make yourself accountable
- Step 7. Check and review progress

<b>LAP Test</b>	<b>Practical Demonstration</b>
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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 hour.

Task 1 demonstrate goal setting process





## Reference

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