



HORTICULTURAL CROPS PRODUCTION LEVEL

Learning Guide-49

Unit of Competence: Develop Understanding of

Entrepreneurship

Module Title: Developing Understanding of

Entrepreneurship

LG Code: AGR HCP1 M013 LO1-LG-49

TTLM Code: AGR HCP1 TTLM 1219v1

LO 1: Describe and explain the principles,

concept and scope of entrepreneurship



Instruction Sheet	Learning Guide #49

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

- Analyzing and discussing concept and principles of entrepreneurship.
- ◆ Identifying and discussing Entrepreneurial traits and distinguishing features, entrepreneurial motivations and types of entrepreneurs.
- Explaining and discussing the role of entrepreneurship development for the Ethiopian economy.
- Discussing and analyzing entrepreneurship for women and disables

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

- Analyze and discuss concept and principles of entrepreneurship.
- ➤ Identify and discuss Entrepreneurial traits and distinguishing features, entrepreneurial motivations and types of entrepreneurs.
- Explain and discuss the role of entrepreneurship development for the Ethiopian economy.
- Discuss and analyze entrepreneurship for women and disables

Learning Instructions:

- 1. Read the specific objectives of this Learning Guide.
- Read the information written in the "Information Sheets".
- Accomplish the "Self-check" after each information sheet. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.

- 4. If you earned a satisfactory evaluation proceed to next "Information Sheet". However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Learning Activity #.
- 5. Read the information written in the next "Information Sheet".
- 6. Accomplish the next "Self-check". Again you can request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
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Information	Sheet-1
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Analyzing and discussing concept and principles of entrepreneurship

1.1 . Analyzing and discussing the concept and principles of entrepreneurship.

Entrepreneurship is a key factor for the survival of small scale farming in an everchanging and increasingly complex global economy.

Farmer-entrepreneurs see their farms as a business. They see their farms as a means of earning profits. They are passionate about their farm business and are willing to take calculated risks to make their farms profitable and their businesses grow.

The entrepreneurial environment Farmer-entrepreneurs operate in a complex and dynamic environment. They are part of a larger collection of people including other farmers, suppliers, traders, transporters, processors and many others. Each of these has a role to play in producing products and moving them through to the market – through the value chain. Each one needs to be an entrepreneur. They also need to respect each other and work together to make the whole system work better and be more profitable.

Entrepreneurship dynamics: successful farmer-entrepreneurs are technically competent, innovative and plan ahead so they can steer their farm businesses through the stages of enterprise development – from establishment and survival to rapid growth and maturity. However, there are many challenges that these farmers face: social barriers, economic barriers, regulations, access to finance and information, and their own managerial capacity to cope with risks and changes and to seize opportunities.

The idea of entrepreneurship is complex. When a farmer introduces a new enterprise into his farming system, there are different stages of development that the enterprise goes through. The skills of the farmer must also change and develop to meet the management demands of the enterprise.

The development of a farm enterprise as a business occurs in five phases:

- Establishment
- Survival
- Early growth
- Rapid growth
- Maturity (and possible decline)

WHAT IS ENTREPRENEURSHIP?

Entrepreneurship, value chains and market linkages are terms that are being used more and more when talking about agriculture and farming. Many small-scale farmers and extension organisations understand that there is little future for farmers unless they become more entrepreneurial in the way they run their farms. They must increasingly produce for markets and for profits. Becoming more entrepreneurial can be a challenge for small-scale farmers. They will need help from extension workers and other institutions.

What is an entrepreneur? An entrepreneur is someone who produces for the market. An entrepreneur is a determined and creative leader, always looking for opportunities to improve and expand his business. An entrepreneur likes to take calculated risks, and assumes responsibility for both profits and losses. An entrepreneur is passionate about growing his business and is constantly looking for new opportunities. Entrepreneurs are also innovators. They always look for better and more efficient and profitable ways to do things. Being innovative is an important quality for a farmer-entrepreneur, especially when the business faces strong competition or operates in a rapidly changing environment.

Agripreneurship is a sustainable employment strategy that will ensure self-reliance and economic self-sufficiency to the entrepreneur and also to the community of the entrepreneur. Agribusiness includes the manufacturing and distribution of farm inputs, crop production activities, storage, processing, and distribution of farm products made from them. The development of agricultural entrepreneurship refers to the promotion of entrepreneurial skills amongst common individuals and building the entrepreneurial approach in the field of agriculture.

FARMERS AS ENTREPRENEURS Can small-scale farmers become entrepreneurs? Yes. Small-scale farmers all over the world have shown a remarkable ability to adapt. They look for better ways to organise their farms. They try new crops and cultivars, better animals, and alternative technologies to increase productivity, diversify production, reduce risk — and to increase profits. They have become more market oriented and have learned to take calculated risks to open or create new markets for their products. The farmer-entrepreneur is always looking for new opportunities. He knows that new opportunities are found in the market. The farmer-entrepreneur wants to make profits. He knows that profits are made in the market. An entrepreneurial farmer has the initiative, drive, capacity and ability to take advantage of opportunities. Small-scale farmers often have entrepreneurial qualities.

FARMING EXCL	LISIVELY FOR	HOME CONSUMP	NOIT
		TICIVIE CCINCUIVII	

FARMING PRIMARILY FOR HOME CONSUMPTION

MARKETING SURPLUS FARMING PRIMARILY FOR THE MARKET WITH SOME HOME CONSUMPTION

FARMING EXCLUSIVELY FOR THE MARKET

Table 1 Ladder of intentions and reasons for farming

Principles of Entrepreneurship

- > Be a Solution Provider
- Have a Vision
- Choose the Right Team
- Viable Product/Service
- > Capital
- "Accountability
- Growth and Marketing
- Know Your Customer
- Priorities

	Self-check 1	Written test
_		
	Name	
	Date	
	 Direction: Answer all questions listed belosome explanations/answers. 1. Discuss the concept and principles of 2. Discuss entrepreneurial traits, motivation 3. List the principles of entrepreneurship 	entrepreneurship(1points) on and types of entrepreneurs(1points)
N	ote: Satisfactory rating – 3 Unsatisf	actory - 3points
Yo	u can ask you teacher for the copy of the correct answe	ers.
	Answer Sheet	Score = Rating:
	Name:	Date:
	Short Answer Questions	

	Identify an	d discuss Entrepi	reneurial traits	and d	listinguish	ning
Information Sheet- 2	features,	entrepreneurial	motivations	and	types	of
	entreprene	urs				

2.1.Identify and discuss Entrepreneurial traits and distinguishing features, entrepreneurial motivations and types of entrepreneurs

2.1. 1. Entrepreneurial Characteristics and traits

Characteristics that are found within all successful entrepreneurs

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Feels a Sense of Ownership

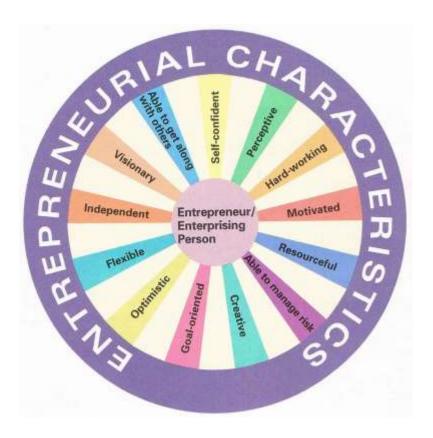
- Able to Communicate
- Passionate about Learning
- > Team Player
- System-Oriented

- Dedicated
- Grateful
- Optimistic
- Gregarious
- > A Leader by Example
- Not Afraid of Risk or Success

2.2.2.Entrepreneurial Traits of an Entrepreneur

- a. Self-Motivated
- **b.** Leadership Skills
- c. Risk-takers
- d. Innovative
- e. Ethical
- f. Positive Attitude
- **g.** Accessibility
- h. Business Planning

- i. Self-Confidence
- j. Competitiveness
- **k.** Technically Competent
- I. Optimistic/hopeful
- **m.** Visionary
- **n.** Decision-Making
- **o.** Communication Ability
- **p.** Passion



Entrepreneurial motivation is the process of transforming an ordinary individual to a powerful businessman, who can create opportunities and helps in maximizing wealth and economic development.

Entrepreneurial Motivation can be:

- a. The need for achievement (n Ach)/ Achievement motive:
- b. The need for Power (n Pow)/Power motive:
- c. The need for affiliation (n Aff)/Affiliation motive:
- 2.3. Classification of entrepreneurship

A. Based on the Type of Business:

1. Trading Entrepreneur: as the name itself suggests, the trading entrepreneur undertake the trading activities. They procure the finished products from the manufacturers and sell these to the customers directly or through a retailer. These serve as the middlemen as wholesalers, dealers, and retailers between the manufacturers and customers.

- 2. Manufacturing Entrepreneur: the manufacturing entrepreneurs manufacture products. They identify the needs of the customers and, then, explore the resources and technology to be used to manufacture the products to satisfy the customers' needs. In other words, the manufacturing entrepreneurs convert raw materials into finished products.
- 3. Agricultural Entrepreneur: the entrepreneurs who undertake agricultural pursuits are called agricultural entrepreneurs. They cover a wide spectrum of agricultural activities like cultivation, marketing of agricultural produce, irrigation, mechanization, and technology.

B. Based on the Size of Enterprise:

- 1. Small-Scale Entrepreneur
- 2. Medium-Scale Entrepreneur
- 3. Large scale entrepreneur

Self-check 1	Written test
Name	Date
Direction: Answer all questions listed belosome explanations/answers.	ow. Illustrations may be necessary to aid
 Discuss briefly the characteristics of si 	uccessful entrepreneurs (3points)
·	,
2. What are the traits of agricultural entre	epreneurs? (2pts.)
3. Discus the classification of entreprene	urs? (1pts.)
Note: Satisfactory rating - 6 points	Unsatisfactory - below 6 points
You can ask you teacher for the copy of the	ne correct answers.
Answer Sheet	
Name:	Date:

Short Answer Questions

Information	Sheet-	Explaining	and	discussing	the	role	of	entrepreneurship
3		developmer	nt for t	he Ethiopian	econ	omy.		

1.3. Role of Entrepreneurs in economic development of a country

1. Employment opportunities

Entrepreneurs employ labor for managing their business activities and provide employment opportunities to a large number of people. They remove unemployment problem.

Agricultural entrepreneurship is often construed as a tool for empowering the rural unemployed youth who have the capability of starting an enterprise and to excel in the fields of agriculture and allied activities.

2. Balanced Regional Development

Government promotes decentralized development of industries as most of the incentives are granted for establishing industries in backward and rural areas. Thus, the entrepreneurs to avail the benefits establish industries in backward and rural areas. They remove regional disparities and bring balanced regional development. They also help to reduce the problems of congestion, slums, sanitation and pollution in cities by providing employment and income to people living in rural areas. They help in improving the standard of living of the people residing in suburban and rural areas.

3. Mobilization of Local Resources

Entrepreneurs help to mobilize and utilize local resources like small savings and talents of relatives and friends, which might otherwise remain idle and unutilized. Thus they help in effective utilization of resources.

4. Optimization Of Capital

Entrepreneurs aim to get quick return on investment. They act as a stabilizing force by providing high output capital ratio as well as high employment capital ratio.

5. Promotion of Exports

Entrepreneurs reduce the pressure on the country's balance of payments by exporting their goods they earn valuable foreign exchange through exports. Eg.The fresh onions, tomatoes, cabbage and potatoes for exports to Djibouti and from there to Saudi Arabia, Yemen and other Middle East destinations are mainly produced by small scale farmers.

The produce is exported in bulk without any value addition and tends to have a relatively low value, price and quality. Due to a general lack of care and proper facilities during transport however, produce often arrives in poor condition. Also some of the large state farms, i.e. Upper Awash Agro-Industry Enterprise (UAAIE) near Wonji and the Horticulture Development Enterprise (HDE) near Ziway, sometime produce and transport the produce directly by state owned trucks and trains to the international harbour in neighbouring Djibouti. These export vegetables from smallholders (some of them organized into cooperatives) are cultivated in the areas around Dire Dawa and the various Rift valley lakes where vegetables are produced on small plots irrigated with lake water.

The farmers tend to sell all their produce to middlemen and traders who pick it up from the roadside in small open trucks and bring it to Djibouti for further export.

6. Social Advantage

Entrepreneurs help in the development of the society by providing employment to people and paves for independent living they encourage democracy and self-governance. They are adept in distributing national income in more efficient and equitable manner among the various participants of the society by horticultural products.

7. Increase per capita income

Entrepreneurs help to increase the per capita income .

8. Capital formation

A country can attain economic development only when there is more amount of investment and production e.g horticultural crop production, agronomic crop production, and spice crop production. Entrepreneurs help in channelizing their savings and savings

of the public to productive resources by establishing enterprises. They promote capital formation by channelizing the savings of public to productive resources.

9. Growth of capital market

Entrepreneurs raise money for running their business through shares and debentures. Trading of shares and debentures by the public with the help of financial services sector leads to capital market growth.

10. Growth of infrastructure

The infrastructure development of any country determines the economic development of a country, Entrepreneurs by establishing their enterprises in rural and backward areas influence the government to develop the infrastructure of those areas.

11. Development of Trader

Entrepreneurs play an important role in the promotion of domestic trade and foreign trade. They avail assistance from various financial institutions in the form of cash credit, trade credit, overdraft, short term loans, loans and unsecured loans and lead to the development of the trade in the country.

12. Economic Integration

Entrepreneur reduces the concentration of power in a few hands by creating employment opportunities and through equitable distribution of income. Entrepreneurs promote economic integration in the country by adopting certain economic policies and laws framed by the government. They help in removing the disparity between the rich and the poor by adopting the rules and regulation framed by the government for the effective functioning of business in the country.

13. Inflow of Foreign Capital

Entrepreneurs help to attract funds from individuals and institutions residing in foreign countries for their businesses.

Self-Check 3	Written Test
Name:	Date:
Time started:	Time finished:
Directions : Answer all the qu	uestions listed below. Illustrations may be necessary to
Aid some explanations /answ	/ers:
1. Mention the finical institution	ons that avail for development of Trader? (2 points)
2. What is the importance of	economic Integration for entrepreneur?(3 points)
3. Explain the role of entrepre	eneurship in Ethiopia economy?(2pts)
Answer Sheet	Score = Rating:
Note: Satisfactory rating - 7	points Unsatisfactory - below 7 points
You can ask you teacher for the cop	by of the correct answers.
Name:	Date:
Short Answer Questions	

	Discussing	and analyzing entrepreneurship for women and
Information Sheet-4	disables	

4.1. Discussing and analyzing entrepreneurship for women and disables

Disability, on such a definition, is a complex phenomenon involving interaction between a person's body and the society in which they live. Disabled people are defined as such if they have a physical or mental impairment and the impairment has a substantial and long-term adverse effect on their ability to carry out normal, day-to-day activities.

Impairment refers to a wide range of bodily functions or conditions, and might be grouped as:

- ✓ physical (dysfunction of the musculoskeletal, neurological, cardiac, circulatory and respiratory body systems);
- ✓ mental illness or disorder (schizophrenia, neuroses and psychotic conditions, anxiety and emotional disorders, phobias, depression);
- √ cognitive (brain injuries, dementia);
- ✓ sensory (sight loss or blindness, hearing); and
- ✓ Intellectual or developmental (below average general intellectual function).

Looking at the personal characteristics of disabled entrepreneurs, self-employment rates vary by type and severity of impairment, gender, education and residential location.

Self-employment rates were higher among people who were severely limited in their daily activities than among those reporting some or no limitation in daily activities. There is some evidence on self-employment rates among people with specific disabilities. For these people, self-employment might offer the only opportunity for active labour market

participation and the associated incomes and living standards. Even individuals who have been labour market inactive might be able to create self-employed jobs that enable them to earn a livelihood and contribute to the wider economy. Self-employment might be a valid option for many disabled individuals since it facilitates achieving a better balance between disability status and working life.

Self-Check 4		
Name:	Date:	
Time started:	Time finished:	
Directions : Answer all the qu	uestions listed below. Illustrat	ions may be necessary to
Aid some explanations /answ	vers:	
1. Define disability? (2 po	ints)	
2. What is effect of disab	ility and being woman for ent	repreneur? (3 points)
Answer Sheet		Score =
		Rating:

Note: Satisfactory rating - 5 points Unsatisfactory - below 5 points

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

References

- Bogaert, M. V., Das, S. & Barik, S., 1993. Catching the Tiger by the Tail: Fostering Entrepreneurship among Craft Groups in Orissa. Journal of Entrepreneurship, September (2), pp. 155-176. Competencies for Innovative Entrepreneurship
- 2. Faltin, G., 1999. Hamburg, Germany, Paper presented to the UNESCO meeting on the Future of Work and Adult Learning.
- 3. SMEs Gibb, A., 1999. Small Enterprise Development, 10(4), pp. 27-38. Developing the Entrepreneurial Skills of Farmers: some myths explored.
- 4. https://casanuratti.com/2019/03/7-roles-of-entrepreneurship-in-economic-development-of-a-country/

HORTICULTURAL CROPS PRODUCTION LEVEL I

Learning Guide-50

Unit of Competence: Develop Understanding of

Entrepreneurship

Module Title: Developing Understanding of

Entrepreneurship

LG Code: AGR HCP1 M13 LO2-LG-50

TTLM Code: AGR HCP1 TTLM 1219v1

LO 2: Discuss how to become entrepreneur

Instruction Sheet	Learning Guide # 50

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

- > Developing the positive mind set, attitude towards poverty and "can do mentality".
- > Discussing and analyzing self-employment as an individual economic independence and personal growth.
- Explaining and discussing advantages and disadvantages of self-employment.
- Identifying and explaining major competencies of successful entrepreneurs.
- Assessing Self-potential.
- Identifying and discussing the behaviors of successful entrepreneurs.
- Generating business ideas using appropriate tools, techniques and steps.
- Identifying and assessing Business opportunities

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 the positive mind set, attitude towards poverty and "can do mentality".
- Discuss and analyze self-employment as an individual economic independence and personal growth.
- Explain and discuss advantages and disadvantages of self-employment.
- ldentify and explain major competencies of successful entrepreneurs.
- Assess Self-potential.
- ldentify and discuss the behaviors of successful entrepreneurs.
- Generate business ideas using appropriate tools, techniques and steps.
- Identify and assess business opportunities

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	Developing the positive mind set, attitude towards poverty and
Information Sheet1	"can do mentality".

1.1. Develop the positive mind set, attitude towards poverty and "can do mentality".

Positive Mental Attitude/PMA is the right mental attitude. The right mental attitude is most often comprised of the plus characteristics symbolized by such words as faith, integrity, hope, optimism, courage, initiative, generosity, tolerance, tact, kindliness and good common sense.

Negative Mental Attitude/NMA is 'it is has opposite characteristics to **PMA.** After years spent studying successful men, the authors of success through a PMA have come to the conclusion that a positive mental attitude is the one simple secret shared by them all. PMA helps to overcome the disadvantages of poverty.

A person with PMA aims for high goals and constantly strives to achieve them.

❖ Ways to Build a Positive Mindset

- 1) Start the day with positive affirmation.
- 2) Focus on the good things.
- **3)** Find humour in bad situations.
- **4)** Turn failures into lessons:
- **5)** Transform negative self-talk into positive self-talk.
- **6)** Focus on the present.
- 7) Find positive friends, mentors and co-workers.
- 8) Remember that you are powerful.
- **9)** Know that no one is better qualified.

Believe that you are more than enough

Self-Check -1	Written Test
	1

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

- 1. How positive mind set up developed? (2pts)
- 2. What are the factors that affect positive mind?(1pts)
- 3. List the way of alleviating the attitude lead to poverty?(1pts)

Note: Satisfactory rating - 4 points Unsatisfactory - below 4 points

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

Answer Sheet		
	Score =	
	Rating:	
Name:	Date:	

Short Answer Questions

2.1 Understanding self-employment

Self-employment is a situation in which an individual works for himself instead of working for an employer that pays a salary or a wage.

Self-employment is an activity where individuals create their own employment opportunities by creating a business.

A self-employed individual earns his income through conducting profitable operations from a trade or business that he operates directly.

Self-employed person is his or her own boss and generates revenue based on the services that they can offer.

Reasons for Wage Employment or Going into Business

- A. Economic to earn more money
- B. Psychological to feel useful and needed
- C. Social to be with people
- D. Critical incidents Shocks
- E. Practical reasons Rational
- F. Personal reasons Emotional

1. CRITICAL INCIDENT (Economic, Psychological, Sociological)

- Inheriting family wealth.
- Being fired/sacked/made redundant/retired.
- Transferred to different job or location.
- Challenged by people you know/emulating others.
- Unhappy with your boss or colleagues.

• No job opportunity after leaving school or vocational training.

2. PRACTICAL REASONS (Economic, Psychological, Sociological)

- To make a living and/or get rich.
- To prepare for retirement. That is, "something to do" in retirement
- To Provide additional income, or both.
- For supplemental income and equity building, such as in real estate.
- To use as a tax shelter or business write-off.
- To have something to occupy spare time. (To relieve boredom).
- To create a common cause for the whole family, thereby building togetherness.

3. ABSTRACT PERSONAL REASONS (Economic, Psychological, Sociological)

Some of the abstract, personal reasons include:

- For emotional rewards, a realization of self-worth, self-image, seeing your Creativity develops and expands.
- To escape working for someone else.
- To have flexible working hours the freedom to do what you please, when, you please.
- To stop having to take orders.

Self-Check -2	written lest
the next page: 1.Why self-employmer 2.Discus the reason v ?(3pts)	questions listed below. Use the Answer sheet provided in ht is needed? (3points) why the individuals enter to business or self-employment disadvantage of self-employment. (1points)
Note: Satisfactory rating - 7	
Answer Sheet	Score = Rating:
Name:	Date:

Short Answer Questions

	Explaining and discussing advantages and disadvantages
Information Sheet 3	of self-employment.

3.1. Explaining and discussing advantages and disadvantages of selfemployment.

Being an employee is a situation in which an individual works for an employer/organization that pays a salary or a wage.

❖ Advantage of Self Employment

- ✓ Reaping the rewards of your own efforts.
- ✓ Independence and freedom,
- ✓ A better work/life balance,
- ✓ Improved quality of life and increased job satisfaction.

Disadvantage of Self-employment

- ✓ More stress,
- ✓ Less time with your family,
- ✓ Isolation from colleagues and customers,
- ✓ Responsibility for your own tax,
- ✓ Long, irregular hours of work
- ✓ Broad responsibility
- ✓ Must take risks
- ✓ Income not stable nor guaranteed
- ✓ Time constraint
- ✓ Uncertain future
- ✓ Hard to delegate work

- ✓ Leads rather than follows
- ✓ Can implement own ideas
- ✓ Can be creative
- ✓ Potential income

Self-Check -3	Written Test

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

- 1. List the advantage of self-employment? (3 points)
- 2. List disadvantage of self- employment .(3 points)

Note: Satisfactory rating – 6 points Unsatisfactory - below 6 points

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

Answer Sheet

Score =	
Rating: _	

Information Sheet 4	Identifying and explaining major competencies of successful	
	entrepreneurs	

4.1. Identifying and explaining major competencies of successful entrepreneurs

Competency is a cluster of related abilities, commitments, knowledge, and skills that enable a person (or an organization) to act effectively in a job or situation. Competency indicates sufficiency of knowledge and skills that enable someone to act in a wide variety of situations.

- **❖** There are three major competencies for successful entrepreneurship.
- A. Knowledge: Entrepreneurs need more than just their personality or personal traits. They need ideas, opportunities, and resources. Knowledge allows farmers to make informed choices. It puts them in a better position to compare the current practices being used with alternatives.

Farmers obtain knowledge through experience and observation - from listening to and learning from other farmers, observing how things are done and then practicing it themselves. Extension workers are another source of knowledge. Information and its communication is an important aspect of knowledge creation and accumulation. Farmers need knowledge in each of the key areas of farm management: planning, implementing and controlling.

They also need information about primary production, harvesting, processing, wholesaling and retailing and about input supply, financial services, transport, packaging, promotion and advisory services. Knowledge in the context of business may be manifested by information on, or familiarity with aspects such as:

- ✓ Business opportunity
- ✓ Market
- ✓ Customers
- ✓ Competitors

- ✓ Production processes
- ✓ technical matters
- ✓ Business management
- √ sources of assistance

Skill: has been defined as the ability to apply knowledge and can be acquired or developed through practice,

a. Technical Skill

In addition to being entrepreneurs, entrepreneurial farmers must also be excellent farmers. This requires technical competencies particularly in three areas: managing inputs, managing production and managing marketing.

b. Managerial Skill

Entrepreneurial and technical competencies need to be complemented by managerial competencies in the functions of diagnosis, planning, organising, leading and controlling. The farmer-entrepreneur performs these functions in each of the key areas of the farm business: managing inputs, production and marketing

c. Traits: have been defined as the aggregate of peculiar qualities or characteristics which constitutes personal individuality. Entrepreneurship is about looking forward – identifying opportunities, creating a vision of how the business will grow, innovating and taking risks. Entrepreneurs have some special qualities or characteristics that set them apart from the average farm manager.

It is component of a person's behaviour that is assumed to serve as an explanation of his or her enduring personal **characteristics such as:**

- ✓ Hard Working
- ✓ Self-Confident
- ✓ Builds for the Future
- ✓ Profit-Oriented
- ✓ Goal-Oriented
- ✓ Persistent
- ✓ Copes with Failure
- ✓ Responds to Feedback
- ✓ Demonstrates Initiative

- ✓ Willing to Listen
- ✓ Sets Own Standards
- ✓ Copes with Uncertainty
- ✓ Committed
- ✓ Builds on Strengths
- ✓ Reliable and Has Integrity
- ✓ Risk-Taker

Self-Check -4	Written Test
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Directions: Answer all the questions listed below. Use the Answer sheet provided in the next page:

- 1. What is competence? (3points)
- 2. Discuss and describe the major competencies for successful entrepreneurship. (5 points)

Note: Satisfactory rating – 8 points Unsatisfactory - below 8 points

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

Answer Sheet		
	Score =	
	Rating:	
Name:	Date:	

Short Answer Questions

Information Sheet 5	Assessing Self-potential.

5.1. Assessing self-potential to determine if qualified to become future entrepreneur

A growing number of employees are becoming dissatisfied with paid employment for a variety of reason:

- > They dislike following orders
- > Their abilities are not being recognized
- ➤ Income is at a set level
- > Their responsibility is limited
- Implementation of their own ideas is difficult
- > They are unhappy about dependency on their employer

Dissatisfied employees may seek new opportunities to become self-employed. They tend to go into business for themselves for a variety of reasons:

- Independence
- Immediate need for a job
- They want to supplement employment income
- They want to develop a business for their children
- They want to make more money than they make as an employee
- They want to have an opportunity to prove their ability

5.2 Types of self-potential qualifications to become future entrepreneur

- ✓ An entrepreneur initiates an enterprise or idea, typically in business, and accepts full responsibility for the outcome.
- ✓ Entrepreneurs are considered to be essential individuals in a Capitalist society.



1. Market Knowledge

- ✓ Entrepreneurs know customer desires. They research purchasing trends of key demographics and view the market for their products through customers' eyes.
- ✓ An entrepreneur should be skilled in identifying an opening and quickly gathering resources to fill it. Rather than looking at the current state of a key market or business model, he looks to the future and adapts his business strategy to allow for shifting trends.

2. Resilience

- Successful entrepreneurs tend to be independent thinkers and resilient in their pursuit of an objective. They are self-reliant, self-confident and passionate about their work, even when times are bad, as indicated as the Mentors, Ventures and Plans website. They harbor strong beliefs that often go against traditional thinking.
- ✓ An entrepreneur should be aware of potential risks and rewards and be strongminded enough to cope with failure.

Self-Check -5	Written Test
Directions: Answer all the o	questions listed below. Use the Answer sheet provided
2. Identifying Potentials of	ed the growing number of self-employers? (2pts) f Entrepreneurs? (3pts) self-potential qualification? (2pts)
Note: Satisfactory rating – 7	7 points Unsatisfactory - below 7 points
You can ask you teacher for the cop	by of the correct answers.

Short Answer Questions

Answer Sheet

in

Score = _____

Rating: _____

Date: _____

Information Sheet 6	Identifying and discussing the behaviors of successful entrepreneurs.

6. 1.Identifying and discussing the behaviors of successful entrepreneurs.

- > They plan their day in advance.
- They position themselves to serve.
- > They set clear goals.
- > They take calculated risks.
- ➤ They know their strengths and weaknesses.

- > They hire A-team players.
- > They are constantly learning.
- ➤ They evaluate their actions and priorities each day

Directions: Answer	<u>-</u>	sted below. Use the Answer sheet
The mention behaviou	urs of Successful Entrep	oreneurs? (5 points)
a		_
b		
C		
d		
e		
Note: Satisfactory	/ rating – 7 points	Unsatisfactory - below 7 points
You can ask youteach	erfor the copy of the correc	t answers.
Answer Sheet		
Name:		Date:
Short Answer Que	stions	

Information Sheet 7	Generating business ideas using appropriate tools, techniques and steps.

7.1. Generating business ideas using appropriate tools, techniques and steps.

A business idea is the response of a person or persons, or an organization to solving an identified problem or to meeting perceived needs in the environment (markets, community, etc.). Idea generation is the process of creating, developing, and communicating ideas which are abstract, concrete, or visual.

Idea Generation Methods

- 1. **Focus groups:** A group of individuals discuss and provide information in a structured format to arrive at new business ideas.
- Brainstorm: Is a group method for obtaining new ideas and business solutions.
 This method is extensively used for generating ideas for new product packing and distribution.
- 3. Check list: The new ideas for the business are developed based on discussions on list of related issues. A specific area of discussions is listed by entrepreneur and a list of questions, suggestions and statements are developed for in-depth discussions and arrive at a business idea.
- 4. Problem inventory analysis: It is a method of obtaining new ideas and solutions for business by focusing on the problems. The group is given the problems that are commonly felt by consumers, dealers, transporters and general public and based on the identified problems, product ideas that provide solutions are hallucinated.

Steps to Generate Business Ideas

Steps to Generate Business Ideas.

Step1. Develop a Basic Business Idea: This step calls for identifying the broadest needs and wants of customers that will be a base for the development of product lines and product ranges. It consists of the following three sub steps.

Step 2: Analysis of Internal and External Environment (SWOT Analysis)

Entrepreneurship environment refers to the various facets within which enterprises have to operate in. These entrepreneurial environments are most rationally divided into two major parts: internal and external environment. The major objective of this step is to identify the threats and opportunities faced by the prospective entrepreneur in the light of the strengths and weaknesses that are apparent, hence the name SWOT analysis. The two major parts of this step are:

1) Scanning the External Environment

By and large, entrepreneurship is influenced by environments created by the external forces. These external forces are demarcated as macro and micro environmental forces.

a. Macro - Environment

Macro environment is the type of environment that is not specific to a given entrepreneur or company. Macro environmental force more or less include the following environments

- Economic environment:
- Socio-cultural environment:
- Political- legal environment:
- Technological environment:

b. Micro - Environment

Micro environmental forces on the other side are forces that are specific to companies or entrepreneurs. It includes forces like customers, suppliers, competitors, intermediaries, etc

Sources of Environmental Scanning

- 1. Formal Sources: research studies, consultants
- 2. Secondary Sources: publications, magazines, books
- 3. Internal Sources: MIS records, co- employees
- 4. External Sources: marketing intermediaries, customers, suppliers etc

2) Assessing the Internal Environment

It identifies the weaknesses and strengths that are internal in nature. In sensible terms it is assessing the expertise, resources, abilities, skills, costs, organizational structure and culture, manufacturing techniques etc.

Step 3: Developing Feasibility study (decide GO/NGO)

Definition of Feasibility study

It is an analysis and evaluation of a proposed project to determine:-

- ✓ if it is technically feasible,
- ✓ if it is feasible within the estimated cost, and
- ✓ if it will be profitable.

Feasibility studies are almost always conducted where large sums are at stake. It is also called Feasibility analysis. Feasibility study should focus on the following:

- Marketing feasibility: total demand size, growth rate of market.
- **Technical feasibility:** Technical knowhow of production cost of acquisition.
- Physical resource feasibility: availability of raw materials & supp
- Financial feasibility: availability of adequate capital, and cost of funds.
- **Time feasibility:** duration required to operate the business & make expected profit.

If feasibility fails, no go is the option. If feasibility test results positive, go is the option.

Step 4: Generating Business Plan.

After testing the feasibility of business idea, a business plan is prepared. A business plan transforms the idea in to how it will be applied and projects the likely results to be attained. It leads the transformation of idea into reality.

Step 5: Developing Action Plans

Definition of action plan:-It is a sequence of steps that must be taken, or activities that must be performed well, for a strategy to succeed.

An action plan has three major elements.

- 1. Specific tasks: what will be done and by whom.
- **2.** Time horizon: when will it be done?
- **3. Resource allocation:** what specific funds are available for specific activities? It is also called action program.

Step 6: Implementation and Evaluation

When action plans are materialized, business plans are considered to be implemented. After implementation follow evaluation. Evaluation is mainly concerning towards making sure the achievement of mission, objectives etc.

Self-Check -7	Written Test
Directions: Answer provided in the next p	all the questions listed below. Use the Answer shee
1. What is business idea?	? (2pts)
2. How can you create bu	usiness? (3pts)
3. List the steps of to crea	ate business idea? (2pts)
Note: Satisfactory rating -	- 7 points Unsatisfactory - below 7 points
You can ask you teacher for the co	opy of the correct answers.
Answer Sheet	
Name:	Date:

Information Sheet 8	Identifying and assessing Business opportunities

8.1. Identifying and assessing Business opportunities

Short Answer Questions

Seeing, seeking and acting on opportunities is one of the characteristics of successful entrepreneurs. It is also the basis for starting and maintaining successful

ventures/business. It involves not only generating ideas and recognizing opportunities, but also screening and evaluating them to determine the most viable, attractive propositions to be pursued.

A business opportunity may be defined simply as an attractive investment idea or proposition that provides the possibility of a monetary return for the person taking the risk. Such opportunities are represented by customer requirements and lead to the provision of a product or service which creates or adds value for the buyers or endusers.

Characteristics of a good business opportunity

To be a good business opportunity, it must fulfill, or be capable of meeting, the following criteria:

- **A. Real demand:** responds to unsatisfied needs or requirements of customers who have the ability to purchase and who are willing to buy.eg the demand for root and tuber crops ,fruits, citrus, spices and stimulants.
- **B. Return on investment:** provides acceptable returns or rewards for the risk and effort required
- **C. Be competitive:** be equal to or better (from the viewpoint of the customer) than available competitors
- **D. Meet objectives:** meet the goals and aspirations of the person or organization taking the risk
- **E. Availability of resources and skills:** the entrepreneur is able to obtain the necessary resources.

Self-check 8	Written test
Name	
Date	

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

1. Discus the business opportunity? (3pts)

Note: satisfactory rating: and , but unsatisfactory: below 3. You can ask your teacher for the copy of the correct answer.

References

- 1.https://www.learnhowtobecome.org/entrepreneur/
- 2.Pyysiäinen, J., Anderson, A., McElwee, G. & Versala, 2005. International Journal of Entrepreneurial Behaviour Research, 12(1), pp. 21-39. Entrepreneurial Skills and their Role in Enhancing the Relative Independence of Farmers Results and Recommendations from the Research Project Developing Entrepreneurial Skills of Farmers.

HORTICULTURAL CROPS PRODUCTION LEVEL I

Learning Guide-51

Unit of Competence: Develop Understanding

of Entrepreneurship

Module Title: Developing Understanding of

Entrepreneurship

LG Code: AGR HCP1 M013 LO3-LG-51

TTLM Code: AGR HCP1 TTLM 1219v1

LO 3: Discuss how to start and organize an enterprise

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

- Identifying and discussing the concepts and legal forms of business enterprises in Ethiopia.
- Understanding and developing business Ethics.
- Discussing, clarifying and understanding facts about micro, small and medium enterprises.
- Identifying and explaining key success factors in micro, small and medium businesses.
- Discussing and understanding procedures for identifying suitable market for business.
- Identifying and discussing Major factors to consider in selecting a location for a business.
- Estimating Amount of money needed to start an enterprise.
- Identifying and discussing various sources of finance

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:

- ldentify and discuss the concepts and legal forms of business enterprises in Ethiopia.
- Understand and develop business Ethics.
- > Discuss, clarify and understand facts about micro, small and medium enterprises.
- > Identify and explain key success factors in micro, small and medium businesses.
- Discuss and understand procedures for identifying suitable market for business.
- ldentify and discuss major factors to consider in selecting a location for a business.
- Estimate amount of money needed to start an enterprise.

Identify and discuss various sources of finance

Instruction sheet

- 1.Read the specific objectives of this Learning Guide.
- 2. Read the information written in the "Information Sheets".
- 3.Accomplish the "Self-check" after each information sheet. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- 4.If you earned a satisfactory evaluation proceed to next"Information Sheet". However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Learning Activity #.
- 5. Read the information written in the next "Information Sheet".
- 6.Accomplish the next "Self-check". Again you can request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- 7.If your rating is unsatisfactory, see your teacher for further instructions or go back to Learning Activity # the first).

Information sheet 1 Identifying and discussing the concepts and legal forms of business enterprises in Ethiopia

1.1. Identifying and discussing the concepts and legal forms of business enterprises in Ethiopia

A business (also known an enterprise, a company, a firm) is as or an organizational entity and legal entity made up of an association of people, be they natural, legal, or a mixture of both who share a common purpose and unite in order focus various talents and to their organize their collectively available skills or resources to achieve specific declared goals and are involved in the provision of goods and services to consumers. A business can also be described as an organisation that provides goods and services for human needs.

There are four types of business structures:

A. Sole proprietorship

It is a form of business ownership in which a single individual assumes all the risk of operating the business, owns its assets, controls and uses any profit that is made. This form is known also as individual or single proprietorship, sole ownership or individual enterprise.

The features of sole proprietorship are as follows

- a) Single ownership
- c) No separate legal entity d) Undivided risk
- b) Owner- manager
- e) Unlimited liability

Advantages of sole proprietorship:

- Ease and low cost of formation and dissolution
- Direct motivation and personal care
- Freedom and promptness in action

- 4. Business secrecy
- 5. Social desirability
- 6. Absolute control
- 7. Flexibility in operations
- 8. Minimum government control
- 9. Personal touch

Disadvantages of sole proprietorship:

- 1. Limited resources and size
- 2. Unlimited liability

- 3. Limited managerial skills
- 4. Uncertain future

B. Partnership

A partnership is a non-incorporated business that is created between two or more people. In a partnership, your financial resources are combined with those of your business partner(s), and put into the business. You and your partner(s) would then share in the profits of the business according to any legal agreement you have drawn up.

In a **general partnership**, each partner is jointly liable for the debts of the partnership. In a **limited partnership**, a person can contribute to the business without being involved in its operations. A **limited liability partnership** is usually only available to a group of professionals, such as lawyers, accountants or doctors.

General characteristics partnership:

- a) Plurality of persons
- b) Unlimited liability
- c) Contractual relationship:
- d) Agency relationship
- e) Capital contribution
- f) Utmost good faith & trust
- g) Management

Advantage of Partnership

- **1.** Ease of organization
- **2.** Large financial and managerial resources
- **3.** Personal supervision
- 4. Reduced risk
- **5.** Flexibility
- **6.** Democratic functioning
- **7.** Better public relations

- h) No separate legal entity
- i) Duration
- j) Restriction on transfer of interest
- k) Unlimited liability
- I) Unanimity of consent

Disadvantage of Partnership

- **1.** Unlimited liability
- 2. Risk of implied agency
- **3.** Lack of harmony
- **4.** Lack of continuity
- **5.** Non transferability of interest
- **6.** Lack of public confidence

C. Corporation

Another type of business structure is a corporation. Incorporation can be done at the federal or provincial/territorial level. Corporation is defined as "an artificial being, invisible, intangible and existing only in contemplation of law being the mere creature of law, it possesses only those properties, which the character/ certificate of incorporation of its creation confers upon it."

♣ Features of Corporation:

- 1. Separate legal entity
- 2. Limited Liability
- 3. Transferability of shares
- Advantage of Corporation
- 1. Financial Strength
- 2. Limited Liability
- 3. Scope of expansion
- 4. Stability
- 5. Efficient & bolder management
- Diffused Risk
- 7. Public confidence

- 4. Perpetual existence
- Separation of ownership from management
- Disadvantage of corporation
- 1. Difficulty of formation
- 2. Lack of owner's personal interest
- 3. Delay in decision making
- **4.** Fraudulent management
- 5. Double Taxation
- **6.** Lack of secrecy
- **7.** Expensive management

D. Co-operative

A co-operative is owned and controlled by an association of members. It can be set up as a for-profit or as a not-for-profit organization. This is the least common form of business, but can be appropriate in situations where a group of individuals or businesses decide to pool their resources and provide access to common needs, such as the delivery of products or services, the sale of products or services, employment, and more.

In general "Co-operatives are associations of persons usually with a limited means who have voluntarily joined together to achieve a common economic end through the formation of a democratically controlled business organization, making equitable

contributions to the capital required and accepting a fair share of risks and benefits of the undertaking".

Features of Cooperatives:

- 1. Voluntary/ Open membership
- 2. Equality of voting rights
- 3. Democratic control
- 4. Service motto

- 5. Only members subscribe capital for the enterprise
- 6. Registrations & legal status
- 7. Government control

Advantage of Cooperatives

- ✓ Democratic Management
- ✓ Limited Liability
- ✓ Stability & Continuity
- ✓ Easy Formation
- ✓

- ✓ Low Operating Costs
- ✓ General Reserves
- ✓ Exemption & Privileges
- ✓ Social Advantage

> Disadvantage of Cooperatives

- ✓ Limited Capital
- ✓ Lack of Managerial Talent
- ✓ Lack of Motivation
- ✓ Delay in decision making and Implementation
- ✓ Lack of Secrecy and Government Regulations
- ✓ Limitation of Size
- ✓ Lack of Public confidence

Self-check 1	Written test
Name	Date

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

- 1. Define business (3poits)
- 2. Define cooperative (5points)
- 3. Discuss briefly the types of business structures (10 points)

Note: satisfactory rating: 18 and, but unsatisfactory: below 18. You can ask your teacher for the copy of the correct answer.

2.1. Understanding and developing business ethics

Business ethics refers to contemporary organizational standards, principles, sets of values and norms that govern the actions and behavior of an individual in the business organization.

Business ethics also means conducting all aspects of business and dealing with all stakeholders in an ethical manner

♣ The importance of business ethics in business development are:

- 1. attracts investment
- 2. promotes benefits to the organization
- 3. adjusts employees' behavior
- 4. improves public image of the company

Self-check 2	Written test		
Name	Date		

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

- **1.** Define business ethics? (3poits)
- 2. Write the factors affecting business ethics? (5points)
- 3. Write the importance of knowing business ethics for business development? (3 points)

Note: satisfactory rating: 11 and above, but unsatisfactory: below 11. You can ask your teacher for the copy of the correct answer.

Information sheet 3	Discussing, clarifying and understanding facts about micro,
	small and medium enterprises

3.1. Discussing, clarifying and understanding facts about micro, small and medium enterprises

a. Micro enterprises

Micro enterprises are everywhere around us like an ice-cream parlor or your favorite cafe in your neighborhood. These are small businesses with minimal employees and minimal capital. A microenterprise usually operates with **less than 10** people and is started with a small amount of capital.

In a developing country, necessity compels micro entrepreneurs to represent the vast majority of small business sector. They add value to the economy by creating micro business, enhancing the income & lowering the overall cost of business. The number of micro entrepreneurs is high due to the reason that no proper training and formal jobs are available to them.

b. Small enterprises

Sometimes called a small business, a small enterprise is a business that employs a small number of workers and does not have high volume of sales. In technical terms, it is an independently owned and operated company that is limited in size and in revenue depending on the industry. Such enterprises are usually privately owned sole proprietorships, corporations or partnerships.

c. Medium enterprises

The category of medium scale enterprises is made up of enterprises which employ fewer than 250 persons. These enterprises emerge from the slow and steady growth of successful small businesses. As a company earns more revenue, it starts keeping aside the capital required for buildings, equipment and recruitment of more employees. This eventually creates a bridge between small business and big corporations

Self-check 3	Written test		
Name	Date		

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

1. Differentiate and discuss enterprise (5 points)

Note: satisfactory rating: 5 and above, but unsatisfactory: below 5. You can ask your teacher for the copy of the correct answer.

Information sheet 4	Identifying and explaining key success factors in micro,
	small and medium businesses

4.1. Identifying and explaining key success factors in micro, small and medium businesses

There are a number of key success factors applicable for any start-up businesses. Below are some of them:

- ✓ Having a Good Relation with Stakeholders
- ✓ Preparing business plan
- ✓ Managing financial resources
- ✓ Understanding financial statement
- ✓ Learning to manage people effectively
- ✓ Keeping in tune with yourself
- ✓ Taking up short professional courses in management (entrepreneurship)
- ✓ Being sensitive to your customers

Self-check -4	written tests
Name - Da	
Name Da	te
Directions: Answer all the questions liste	ed below. Illustrations may be necessary
to aid some explanations/answers.	
1. list the factor affecting Micro, Small and M	ledium Businesses(5 points)

Note: satisfactory rating: 5 and above, but unsatisfactory: below 5. You can ask

your teacher for the copy of the correct answer.

Information sheet 5	Discussing	and	understanding	procedures	for
	identifying suitable market for business.				

5.1. Identifying Suitable market for business is depending on the following information:

a) Identifying Market Information

1. What is a market? The market for a business is a specific geographical area that people who need to buy and sell products/services.

Potential customers can be described as:

- 1. People who need or want the product or service.
- 2. People who are able to buy the product or service
- 3. People who are willing to buy the product or service

2. What should entrepreneurs know about potential customers?

- 1. Know the customers
- 2. Know what different customer groups wants
- 3. Know where the customer buys
- 4. Know when the customer buys
- 5. Know how the customer buys

3. Where can customer information be located?

Customer information can be obtained from trade associations (publications), chambers of commerce, government agencies (including local government), newspapers and magazines, and individual research by conducting a market survey in the community.

b) Identifying Marketing Concept

Marketing concept is a fundamental idea of marketing that organizations survive and prosper through meeting the needs and wants of customers. This important perspective is commonly known as the marketing concept. The marketing concept is about matching a company's capabilities with customer wants. This matching process takes place in what is called the marketing environment.

Businesses do not undertake marketing activities alone. They face threats from competitors, and changes in the political, economic, social and technological environment. All these factors have to be taken into account as a business tries to match its capabilities with the needs and wants of its target customers.

An organization that adopts the marketing concept accepts the needs of potential customers as the basis for its operations. Success is dependent on satisfying customer needs. Marketing is based on the fact that:

- a) Business policies and activities should be focused on satisfying customer needs, and
- **b)** Profitable sales volume is a primary goal.

When applying the marketing concept, a small business should:

- a. Determine the needs of their customers (market research);
- b. Analyze their competitive advantages (marketing strategy);
- c. Select specific markets to serve (target marketing); and
- d. Determine how to best satisfy those needs (marketing mix).

c) Conducting Market Research

Definition: The process of gathering, analyzing and interpreting information about a market, about a product or service to be offered for sale in that market, and about the past, present and potential customers for the product or service; research into the characteristics, spending habits, location and needs of your business's target market, the industry as a whole, and the particular competitors you face.

Market research should also identify trends that may affect sales and profitability levels. Population shifts, legal developments and the local economic situation should be monitored to enable early identification of problems and opportunities. Competitor activity also should be monitored; competitors may be entering or leaving the market.

d) Determining Marketing Strategy

Marketing strategy is an organization's strategy that combines all of its marketing goals into one comprehensive plan. A good marketing strategy should be drawn from market research and focus on the right product mix in order to achieve the maximum profit potential and sustain the business. The marketing strategy is the foundation of a marketing plan.

Marketing strategy includes identifying customer groups (target markets) which a small business can serve better than its large competitors, and tailoring its product offers, prices, distribution, promotional efforts and services towards that particular market segment (managing the marketing mix).

e) Identifying Target Marketing

Target marketing is a marketing and advertising operation that is targeted for a specific group of people defined by age, sex, socioeconomic status, race, or educational level. It involves breaking a market into segments and then concentrating your marketing efforts on one or a few key segments.

F. Understanding Marketing Mix

The marketing mix is a business tool used in marketing and by marketing professionals. The marketing mix is often crucial when determining a product or brand's offer. It is used to describe how entrepreneurs can combine the following four areas (which are called four **Ps**) into an overall marketing program.

Marketing mix (4 P's)

The four core marketing activities include: product, price, place and promotion.

- a. **Product**: the item or service that is being offered, through its features and consumer benefits and how it is positioned within the marketplace whether it be a high or low quality product. A 'Product' is also either a good or service, which is offered to the market by a company.
- b. **Price:** is a reference to the sacrifices made by a consumer to acquire a product and may include both monetary and psychological costs such as the combination of the ticket price, payment methods and other associated acquisition costs.

- c. *Place:* refers to the way that a product physically reaches the consumer where the service or item is sold; it also includes the distribution channels in which the company uses to get products or services to market.
- d. **Promotion:** refers to marketing communications used to convey the offer to consumers and may include; personal selling, advertising, public and customer relations, sales Product.

Self-check 5	Written test
Nama	Dete
Name	Date

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

- 1. Explain the marketing procedure? (5 pts)
- 2. discuss briefly the marketing activities(5 pts)

Note: satisfactory rating: 10 and , but unsatisfactory: below 10. You can ask your teacher for the copy of the correct answer.

Information sheet 6	Identifying and discussing Major factors to consider in selecting
	a location for a business

6. 1. Factors to Consider When Choosing a Business Location are:

1. Availability of raw materials

If you intend running a manufacturing or production business, then the nearness or availability of raw materials is a factor you must not joke with when choosing your business location. If your business is not sited close to these raw materials, then sourcing and transportation will reduce your profit margin.

2. Nearness to market

The next important factor to consider is the nearness of your business to its customers. Are your customer's resellers or end users? Answering this question will help you determine the best area to locate your business. Remember that for your business to succeed, you must make it easy for customers to find your product.

3. Availability of basic infrastructure

Availability of basic infrastructure can affect your choice of small business location. Amenities and infrastructure such as water supply, power supply, good road network and security are things to consider when locating your business.

4. Economic policy

The economic policy or system of a particular region may also affect your decision and choice of location. Some economy favor capitalists and others are driven by socialism; where the government controls all businesses. Other sub-factors to consider are government's policy, fiscal and monetary policy, exchange rates, taxes, levies and duties.

5. Demographics

Demographics as a factor can have a big influence on your choice of business location. The type of product or service your business offers and the status of the customers will play a vital in your choice of small business location.

6. Psychographics

The mindset of your customers or the aura/feeling of a particular region is also a factor to consider when choosing a location for your small business. For example; if you site your business in a region where tribalism thrives, then you are doomed if you are not a member of the tribe.

7. Industrial Clusters / areas

Some entrepreneurs may decide to site their business in industrial areas or clusters due to the infrastructure and amenities/facilities already on ground. Industrial areas are areas mapped out specifically for commercial purposes especially manufacturing firms.

These areas are sometimes given special attention such as good road network, constant power supply, etc. In some certain regions, heavy duty manufacturers are forced by the government to site their companies in these industrial areas.

8. Export processing zones

Locating your business in an export processing zone may be a smart choice for you especially if are an exporter. Locating your business in such regions means a reduction in transportation cost, faster inspection and clearance of your products by custom officials and so on

9. Free trade zones

International free trade zones and trade fair centers are also good places to site your business because it is accessible and normally receives wide publicity.

10. Distributive channel

If your business don't deal directly with end users or final consumers, then it's wise to put your distributive channel into consideration when choosing a location for your small business. The more you make it easier for your distributors to access your products, the better for your business.

11. Competition

Are competing companies close by? In some instances, this can be advantageous if comparison shopping is popular. You might end up catching the excess from nearby businesses if you are situated near an entertainment area or restaurant

Self-check 6	Written test
Name	Date

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

1. Discuss briefly about the factors affecting business Location? (5 pts)

Note: satisfactory rating: 5 and above, but unsatisfactory: below 5. You can ask your teacher for the copy of the correct answer

Information	Estimating Amount of money needed to start an enterprise
sheet 7	

7. 1. Estimating amount of money needed to start an enterprise

Ways to estimate the amount of money to start a business

1. List spending on assets

Your business assets are the things you need to use in your business over the long term. For example, if you're starting a land, tools, store, that might include items such as shelves, tables, and so on.

2. List spending on expenses.

Not everything you purchase is an asset. You also spend money on expenses. For example, it costs money to set up a legal corporation, a partnership. The money you spend to build your website, the costs of fixing up your office and the salaries you pay employees to help you set up are also examples of expenses.

3. Determine how much money you'll need to get started.

The final piece of the problems knows how much cash you'll need to have in the bank for the early months while your startup is ramping up and not generating enough sales to cover costs and expenses.

Self-check 7	Written test
Name	Date

Directions: answer all the questions listed below. Illustrations may be necessary to aid some explanations.

- 1. Write the Sources of Finance to start business. (3points)
- 2. how can you estimate start-up money? (2pts)

Note: satisfactory rating: **5 and**, but unsatisfactory: below **5.** You can ask your teacher for the copy of the correct answer.

Reference materials

1. https://www.entrepreneur.com/article/220342

Information sheet 8	Identifying and discussing various sources of finance

8. 1. Identifying and discussing various sources of finance

- ✓ Money is a huge part of your life. It can determine what you can do and where you can go. Learning how to manage your money the right way is an important step toward taking control of your life.
- ✓ Understand where your money is coming from, where it's going to, and how to make sure that the way you manage your money falls in line with the values that matter most to you.

Where to Get Money to Start a Business

Where can you get money to start your business?



What's the biggest obstacle to starting a business? For most people, the answer is money. When you calculate your startup costs and then add in the amount of money you need to cover your personal expenses during the startup phase, getting enough money to start your new business can seem like an impossible dream.

Sources of Finance to start | Business

1. Individual investor as sources of funds:

- This includes sources as personal savings, funds from friends, relatives & local investors and the sale of capital stock as major sources of funds.
- ❖ Short-term financing: Short-term debt is any debt that will be repaid within one year. The three primary categories of short term debt are:
- a. Trade credit: Trade credit (open-book credit (open account) and promissory notes.) is the most widely used source of short term financing for business in which the supplier finances the purchase by giving the buyer 30 days or more to pay
- b. Loans: The real business of most banks is lending money to commercial borrowers. The interest on a short term loan may be either fixed (constant-rate) or floating (variable-rate).
 - 1) Secured Loans: Secured loans are those that are backed by something of value, known as collateral, which may be seized by the lender should the borrower fail to repay the loan.
 - 2) Unsecured Loans: An unsecured loan is one that requires no collateral. Instead the lender relies on the general credit record and the earning power of the borrower.
- **c. Commercial paper:** represents a promise to pay back a stated amount of money within the stated number of days (legally, 1 to 270 days).
- ❖ Long-term financing: One of the basic principles of finance is that long-lived assets are purchased with long terms funds. To finance long term projects such as major construction, acquisition of other companies, research & development, most companies rely on a combination of internal & external funding resources. The four main sources of external funding are loans, leases, bonds & equity.

Self-Check 8	Written Test
Name:	Date:
Time started:	Time finished:
Directions : Answer all the guestions listed below. Illustrations may be necessary to	

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

- 1. Short answer .(2 points each)
 - 1. Identify source of capital?(3pts)
 - 2. Determine what you can do and where you can go? (3pts)

Note: satisfactory rating: **8 and**, but unsatisfactory: below **8.** You can ask your teacher for the copy of the correct answer

HORTICULTURAL CROPS PRODUCTION LEVEL I

Learning Guide-52

Unit of Competence: Develop Understanding

of Entrepreneurship

Module Title: Developing Understanding of

Entrepreneurship

LG Code: AGR HCP1 M013 LO4-LG-52

TTLM Code: AGR HCP1 TTLM 1219v1

LO 4: Discuss how to operate an enterprise.

Instruction Sheet	Learning Guide # 52

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

- Explaining and discussing processes of hiring and managing people.
- Discussing and understanding the importance, techniques and application of self-management skills, negotiation skills and time management skills, decision skills.
- Explaining and discussing the techniques and procedures of managing sales.
- Identifying and discussing factors to be considered in selecting suppliers and the steps to follow.
- Explaining and discussing awareness of how new technologies can affect micro, small and medium business.
- Performing risk assessment and management of business enterprise.
- Inspecting and managing Qualities and inventories.
- Explaining and understanding basic concepts of monitoring and evaluation.

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:

- Explain and discuss processes of hiring and managing people.
- Discuss and understand the importance, techniques and application of selfmanagement skills, negotiation skills and time management skills, decision skills.
- Explain and discuss the techniques and procedures of managing sales.
- Identify and discuss factors to be considered in selecting suppliers and the steps to follow.
- Explain and discuss awareness of how new technologies can affect micro, small and medium business.
- Perform risk assessment and management of business enterprise.

- Inspect and manage qualities and inventories.
- Explain and understand basic concepts of monitoring and evaluation

Learning instruction

- **1.**Read the specific objectives of this Learning Guide.
- 2. Read the information written in the "Information Sheets".
- 3.Accomplish the "Self-check" after each information sheet. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- 4.If you earned a satisfactory evaluation proceed to next"Information Sheet". However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Learning Activity #
- 5. Read the information written in the next "Information Sheet".
- 6.Accomplish the next "Self-check". Again you can request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- 7.If your rating is unsatisfactory, see your teacher for further instructions or go back to Learning Activity # the first).

Information sheet 1	Explaining	and	discussing	processes	of	hiring	and
	managing p						

1. 1. Hiring Process

The **hiring process** is the process of reviewing applications, selecting the right candidates to interview, testing candidates, choosing between candidates to make the hiring decision and performing various pre-employment tests and checks.

During the hiring process, a human resources manager will use the following steps to determine the best possible fit for the job:

- Review job applications: means reading each application that is received to determine whether the candidate possesses the skills, education, experience or other qualifications needed for the job.
- 2. **Test candidates:** is the next step and generally involves testing candidates for job skills or knowledge to determine whether the candidate is qualified for the position.
- 3. **Interview selected candidates:** is a meeting between the job seeker and the employer to evaluate whether the candidate has the right qualifications for the job.
- 4. Choose candidates based on pre-determined selection criteria: is done by comparing the candidate's qualifications to a pre-determined list of qualifications or criteria necessary to perform the job.
- 5. **Perform background and reference checks:** involves: checking a candidate's credit, criminal records, education records, and military records.
- 6. Send selected candidates for a health check:

b. Managing people

Human Resource Management includes conducting job analyses, planning personnel needs, recruiting the right people for the job, orienting and training, managing wages and salaries, providing benefits and incentives, evaluating performance, resolving disputes, and communicating with all employees at all levels.

8. Functions of human resource management include:

- ✓ Employment
- ✓ Organizational planning and development
- ✓ Wage and salary administration
- ✓ Employee services
- ✓ Industrial relations

Self-Check -1	Written Test

Name:	Date:	
Time started:	Time finished:	

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

- 1. Write the function of human resource management? (2points)
- 2. Write the steps to hiring?(2points)

Note: satisfactory rating: **4 and**, but unsatisfactory: below **4.** You can ask your teacher for the copy of the correct answer

Information sheet 2	Discussing and understanding the importance, techniques and
	application of self-management skills, negotiation skills and
	time management skills, decision skills.

.2.1. Self-Management Skills

Self-management skills are those abilities that allow an employee to feel more productive when doing daily routine regardless of the working environment. Well-developed self-management skills will help you efficiently communicate with co-workers, management and customers, make right decisions, plan your working time, and keep your body healthy.

The key self-management skills are:

- Stress-Resistance
- Problem Solving
- Communication
- Time Management
- Memory/Remembrance
- Physical Activity

2.2.Time management Skill

Time is something that cannot be saved. You simply lose more and more of it as the day progresses. All entrepreneurs need to manage time effectively, and the key to using time effectively is through better time management. By budgeting time, entrepreneurs will achieve better results.

Time Management Techniques:-Time management is similar to having good work habits. Making the best use of time simply means achieving the maximum output in the time available.

There are several ways to manage time:

- **1.** Identify specific daily goals.
- **2.** Avoid interruptions and distractions.
- 3. Self-motivation.

- 4. Establish deadlines.
- 5. Use the telephone
- **6.** Take notes.
- **7.** Don't do everything.
- 8. Work in blocks of time.

2.3. Negotiation Skills

Negotiation skill is a method by which people settle differences. It is a process by which compromise or agreement is reached while avoiding argument and dispute. The circumstances of negotiation occur when two parties or groups of individuals disagree on the solution for a problem or the goal for a project or contract. A successful negotiation requires the two parties to come together and hammer out an agreement that is acceptable to both.

Effective Negotiation Skills

- a. Problem Analysis
- b. Preparation
- c. Active Listening
- d. Emotional Control
- e. Verbal Communication
- f. Collaboration and Teamwork
- g. Problem Solving
- h. Decision Making Ability
- i. Interpersonal Skills
- **j.** Ethics and Reliability

2.3. Decision-Making Skill

Decision making is the thought process of selecting a logical choice from the available options. When trying to make a good decision, a person must weigh the positives and negatives of each option, and consider all the alternatives. For effective decision making, a person must be able to forecast the outcome of each option well. based all determine as and on these items. which option is the best for that particular situation.

The Decision-Making Process

The stages in the decision-making process are:

- **1.** Defining the problem, challenge, or opportunity
- 2. Generating an array of possible solutions or responses
- 3. Evaluating the costs and benefits, or pros and cons, associated with each option
- **4.** Selecting a solution or response
- 5. Implementing the option chosen
- **6.** Assessing the impact of the decision and modifying the course of action as needed

Self-Check 2	Written Test
Name:	Date:
Time started:	Time finished:

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

Short answer.

- 1.) What are the effective management skills? (2pts)
- 2. Discuss briefly Effective Negotiation Skills? (4 points)

Note: satisfactory rating: 6 and but unsatisfactory: below 6. You can ask your teacher for the copy of the correct answer

Information sheet 3	Explaining	and	discussing	the	techniques	and	procedures	of
	managing	sa	les					

3.1. Managing Sales.

sales management is the process of developing a sales force, coordinating sales operations, and implementing sales techniques that allow a business to consistently hit, and even surpass, its sales targets.

Approaches to Effective sales_management

- Attracting the buyer's attention.
- Determining customers' needs, wants, problems and goals.
- Showing how the product or service will satisfy those needs.
- Working-out the problems that prevent customers from buying.
- Asking for the customers' business.

Techniques of sale managements

- Speak plainly. Tom Werner / Getty Images. ...
- Ask for input. If you're considering a policy change or a new campaign, get your team together and ask for their input. ...
- Explain new approaches in detail. ...
- Be a team player. ...
- Treat all your salespeople equally. ...
- Give positive feedback.

Self-Check 3	Written Test
Name:	_ Date:
Time started:	Time finished:
Directions: Answer all the questions listed Some explanations /answers:	below. Illustrations may be necessary to aid
Short answer	
1. What is sale management?(2points)	
2. Write approaches to effective sales man	agement?(4 points)

Note: satisfactory rating: 8 and above, but unsatisfactory: below 8. You can ask your teacher for the copy of the correct answer.

3. Discus the techniques of sale managements? (2pts)

Identify and discuss factors to be considered in selecting
suppliers and the steps to follow.

4.1. Factors to be considered in selecting suppliers

Suppliers are important to entrepreneurs because they provide a variety of services to businesses. The entrepreneur should select suppliers who offer low prices, give the most helpful advice, provide prompt delivery of goods, and are sympathetic in their financial dealings with entrepreneurs.

- Cultural Fit including values.
- Cost covering price, Total Cost of Opportunity (TCO)
- Value value for money and value generation opportunities.
- Experience in the market and current references.
- Flexibility.
- Response to change in orders and products.
- **Entrepreneurs** should follow specific procedures when purchasing goods, materials and equipment from suppliers.
 - 1. Determine your business needs.
 - **2.** Identifying potential suppliers.
 - 3. Contact a supplier either by visiting the supplier's office personally, telephoning the supplier, or writing a letter to the supplier. Each potential supplier should provide written information to you regarding the kinds of goods, materials or equipment each supplier can provide.
 - **4.** Select the best suppliers. The entrepreneur must decide what conditions and priorities are most important in selecting suppliers. Is it credit, reliability, prices, discounts or other considerations?

- **5.** Order goods, but make sure your order is in writing. Think carefully about the quantities you need:
- **6.** Check the goods as soon as they are received. The supplier usually sends a delivery note (invoice) with the goods or materials. The delivery note lists details of the goods. The supplier will want you to sign the delivery note (invoice) as proof that you have received the goods listed.
- **7.** Check the invoice because the invoice lists what you have bought and when and how the supplier is to be paid.
- **8.** Make the payment to the supplier by cash or check. Make sure to get a receipt so there is proof of payment.

Self-Check 4	Written Test
Name:	Date:
Time started:	Time finished:
Directions: Answer all the questions lis	sted below. Illustrations may be necessary to aid
Some explanations /answer	

- 1. write the importance of suppliers in business?(2points)
- 2. What are the factors to be selecting suppliers?(2pts)

Note: satisfactory rating: 4 and , but unsatisfactory: below 4. You can ask your teacher for the copy of the correct answer

Information sheet 5	Explain and discuss awareness of how new techno	ologies
	can affect micro, small and medium business	

5.1.Technology ("science of craft", from Greek τέχνη, techne, "art, skill, cunning of hand"; and $-\lambda$ ογία, -logia is the collection of techniques, skills, methods, and processes used in the production of goods or services or in the accomplishment of objectives, such as scientific investigation. Technology can be the knowledge of techniques, processes, and the like, or it can be embedded in machines to allow for operation without detailed knowledge of their workings.

5.2. Characteristics of appropriate technology for use in small and medium business

The appropriateness of technology for use in a small business is determined by a number of characteristics such as

- Simple: easy to understand/to use.
- Effectiveness: way of producing a successful result.
- Availability: things that you can get, buy/find.
- Flexibility: able to change to suit new conditions or situations.
- **Cost-effective:** giving the best possible profit in comparison with the money that spent.
- Efficient: no waste of time, money, or energy.
- **Durable:** likely to last long time without breaking/getting weaker.

Self-Check 5	Written Test
Name:	_ Date:
Time started:	Time finished:
Directions: Answer all the questions listed Some explanations /answers:	below. Illustrations may be necessary to aid
. –	

- 1. Define technology by business concept? (2points)
- 2. Write the Characteristics of appropriate technology for use in small and medium business? (4 points)

Note: satisfactory rating: 6 and , but unsatisfactory: below 6. You can ask your teacher for the copy of the correct answer

Information sheet 6	Perform risk assessment and management of business
	enterprise.

- **6.1. Business Risk:** is a circumstance or factor that may have a negative impact on the operation or profitability of a given company.
 - ✓ Can be the result of internal conditions, as well as some external factors that may
 be evident in the wider business community.
 - √ 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
 - ✓ a change in demand for the goods and services(climatic problems at time of horticultural crop maturity, perishability, quality loss, over production of horticultural crops, pest and disease attack--)
 - ✓ customer habits change
 - √ new competitors appear

6.2. To carry out a business risk analysis, follow:

- a. **Identify Threats:** The first stage of a risk analysis is to identify threats facing you.
- b. **Estimate Risk:** by using the formula, Risk = probability of event x cost of event.
- c. **Manage Risk:** Risk may be managed in a number of ways:
 - i. By using existing assets
 - ii. By contingency planning
 - iii. By investing in new resources
- d. **Review:** might involve formal reviews of the risk analysis, or may involve testing systems and plans appropriately.

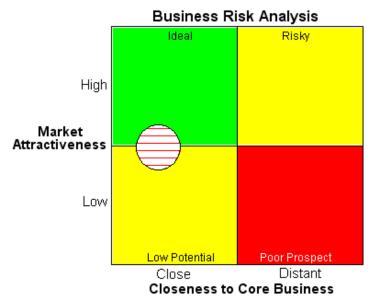


Figure. 1. Business Risk Analysis Tool

6.3. Risk management techniques

The term risk management is a relatively recent (within the last 20 years) evolution of the term "insurance management." The concept of risk management encompasses a much broader scope of activities and responsibilities than doe's insurance management. Risk management is now a widely accepted description of a discipline within most large organizations.

Techniques

- incorporate risk management into the core values of the company,
- support those values with actions,
- · conduct a risk analysis,
- implement specific strategies to reduce risk,
- develop monitoring systems to provide early warnings about potential risks, and
- perform periodic reviews of the program.

Self-Check 6	Written Test

Name:	Date:
Time started:	Time finished:

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

- 1. Define business risk? (2pts)
- 2. Causes of business risk? (4 pts)
- 3. Discus the risk management tools? (2pts)

Note: satisfactory rating: 8 and, but unsatisfactory: below 8. You can ask your teacher for the copy of the correct answer

Information sheet 7	Inspecting and managing Qualities and inventories.

7.1. Inspection is critical appraisal involving examination, measurement, testing, gauging, and comparison of materials or items.

Inspection of horticultural crop includes

hygienic quality and safety, nutritional quality, organoleptic quality

Use or service quality:

- convenience (easy to use)
- conservation

Psychosocial or subjective quality:

satisfaction, pleasure

An inspection determines if the material, produce or item is in proper quantity and condition, and if it conforms to the applicable or specified requirements. Inspection is generally divided into three categories:

- i. Receiving/Incoming inspection,
- ii. In-process inspection, and
- iii. Final inspection.

In quality control (which is guided by the principle that "Quality cannot be inspected into a product") the role of inspection is to verify and validate the variance data; it does not involve separating the good from the bad.

7.3 Ways to Manage Inventory

Inventory management is a system used to oversee the flow of products and services in and out of an organization. A company may decide to incorporate one key inventory management technique or combine a variety of techniques to meet organizational needs. Businesses utilize inventory management strategies to create invoices and purchase orders, generate receipts and control inventory-related accounting.

Quality is essentially about learning what you are doing well and doing it better. It also means finding out what you may need to change to make sure meet the needs of your services users. Quality is the totality of features and characteristics of a product/service that bear on its ability to satisfy stated or implied needs of customers. E.g. Color, texture, size, and flavor continue to be the predominant quality characteristics important for successful international marketing of horticultural crops.

Quality is about:

- ✓ Knowing what you want to do and how want to do it.
- ✓ Learning from what you do
- ✓ Using what learn to develop your organization and its services
- ✓ Seeking to achieve continuo's improvement

Inspection is critical appraisal involving examination, measurement, testing, gauging, and comparison of materials or items. An inspection determines if the material or item is in proper quantity and condition, and if it conforms to the applicable or specified requirements. Inspection is generally divided into three categories: **(1)** Receiving/Incoming inspection, **(2)** In-process inspection, and **(3)** Final inspection

Inventory management is a system used to oversee the flow of products and services in and out of an organization.

7.4. Ways to Manage Inventory

- ✓ Hiring Inventory Control Personnel: An efficient method for managing inventory is to hire a dedicated inventory control specialist.
- ✓ Monitor Inventory Levels: determining the inventory demands of the business. Limit seasonal inventory and cut back on inventory that does not sell.
- ✓ Identify Delivery of Customer: This involves measuring how often your inventory sells and how long it takes to get into the hands of your customers.
- ✓ Hiring Inventory Consultant: Inventory consultants are responsible for maintaining accuracy, cycle counting, shipping and receiving, and managing order-picking operations.

✓	Use data base to Purchase: Many businesses manage inventory by designing an
	inventory management database or purchasing inventory management software.

Self-Check 7	Written Test
Name:	Date:
Time started:	Time finished:
Directions: Answer all the questions listed by Some explanations /answers:	pelow. Illustrations may be necessary to aid
1. Define inspection? (2points)	
2. Classify and discuss inspection? (4 points	8)

Note: satisfactory rating: 6 and , but unsatisfactory: below 6. You can ask your teacher for the copy of the correct answer

Information sheet 8	Explaining	and	understanding	basic	concepts	of
	monitoring	and	evaluation			

8. Monitoring

is on-going analysis of business progress towards achieving planned results with the purpose of improving management decision making

Evaluation is assessment of the efficiency, impact, relevance and sustainability of the business's actions.

Monitoring and evaluation (**M&E**) is a process that helps improve performance and achieve results. Its goal is to improve current and future management of outputs, outcomes and impact.

It is mainly used to assess the performance of projects, institutions and programs set up by governments, international organisations and NGOs. It establishes links between the past, present and future actions.

Self-check 8	written lest
Name:	Date:
Directions Anguerall the supptions listed	l balan. Illustrations many barracemy to si

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

1. Discuss understanding of basic concepts of monitoring and Evaluation(5 points)

Note: satisfactory rating: **5 and**, but unsatisfactory: below **5.** You can ask your teacher for the copy of the correct answer

HORTICULTURAL CROPS PRODUCTION LEVEL I

Learning Guide-53

Unit of Competence: Develop Understanding

of Entrepreneurship

Module Title: Developing Understanding of

Entrepreneurship

LG Code: AGR HCP1 M013 LO5-LG-53

TTLM Code: AGR HCP1 TTLM 1219v1

LO 5: Discus how to prepare and use financial records

Instruction Sheet1 Learning Guide # 53

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

- Discussing Importance of financial source documents.
- Identifying and preparing financial recording documents.
- Discussing and understanding different types of cost and expense.
- Factors and procedures in knowing the cost and expense of the enterprise.
- Preparing and understanding simple financial statements.

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:

- Discuss Importance of financial source documents.
- ldentify and prepare financial recording documents.
- Discuss and understand different types of cost and expense.
- Know factors and procedures in the cost and expense of the enterprise.
- Prepare and understand simple financial statements.

Learning instruction

- 1.Read the specific objectives of this Learning Guide.
- 2. Read the information written in the "Information Sheets".
- 3.Accomplish the "Self-check" after each information sheet. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- 4.If you earned a satisfactory evaluation proceed to next"Information Sheet". However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Learning Activity #.
- 5. Read the information written in the next "Information Sheet".
- 6.Accomplish the next "Self-check". Again you can request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- 7.If your rating is unsatisfactory, see your teacher for further instructions or go back to Learning Activity # the first).

Information sheet 1	Discussing Importance of financial source documents.

1.1.Record keeping

Is writing down all information involved in a particular business

The source document is essential to the book keeping and accounting process as it provides evidence that a financial transaction has occurred. During an accounting or tax audit, source documents back up the accounting journals and general ledger as an indisputable transaction trail.

You would keep source documents for your business just like you keep receipts for tax-deductible items for your taxes. If your taxes are audited, the source documents provide the proof that you've made those purchases. The same holds for your business, but in business, you keep original documents for every financial transaction, not just charitable donations.

.

Importance of good record keeping:

- To monitor the progress of your business,
- To increase the likelihood of business success ,
- To prepare your financial statements,
- To identify sources of your income,
- To keep track of your deductible expenses,
- To keep track of your basis in property,
- To prepare your tax returns,
- To aid in planning for the future;
- To know strength and weakness of business;
- ❖ To provide information about the existing resource use pattern

Self-check 1	Written Test
Name:	Date:

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

- **1.** Define record keeping. (2 points)
- 2. Discuss the importance of record keeping (3points)

Note: satisfactory rating: 5 and above, but unsatisfactory: below 5. You can ask your teacher for the copy of the correct answer

Reference

1. https://www.thebalancesmb.com/the-source-document-in-an-accounting-transaction-393005

1.1.Financial record is formal documents representing the transactions of a business, individual or other organization. Financial record includes preparing a statement of retained earnings and cash flow, preparing income statements and the company's balance sheet and tax returns.

Financial Recording documents include:

- a) Journal: journals are the first a formal book in which information regarding transaction is recorded
- **b)** Ledger: also called book of final entry, a ledger records classified and summarized financial information from journals (the 'books of first entry') as debits and credits, and shows their current balances.
- c) A balance sheet: is a financial statement that summarizes a company's assets, liabilities and shareholders' equity at a specific point in time
- d) Payroll sheet: is the document that payment paid to workforce or employees.
- e) Account receivable: is the document that shows the amount of money to be received future.

Account payable: it is the document that show the amount of money to be paid future.

	Written Test	
Self-check 1		
Name:	Date:	

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

- 1. Define finical record. (2 points)
- 2. List the activities included under finical record (3points)

Note: satisfactory rating: 5 and above, but unsatisfactory: below 5. You can ask your teacher for the copy of the correct answer

Information sheet 3	Discussing and understanding different types of cost
	and expense

3.1. Types of cost and expense

- ❖ Direct costs: are those that only occur, when an enterprise is manufacturing goods or producing a service or buying goods to resell such as material and labor and your overheads, such as rent,.
- Indirect costs: are all other costs generated from business activities that are not direct costs such as administration costs selling costs, distribution costs.
 Costs can also be categorized into:
- ❖ Fixed costs: are costs which don't vary in proportion to the level of the business activity. Example: Rent, insurance premiums, equipment lease payments, etc., must be met, regardless of whether you are open for business or not.
- ❖ Variable costs: Costs are only variable if they change with changes in production and sales volume. For example, if your sales increase by 10 percent, so too will the variable costs associated with the sale. Examples include telephone, casual wages, and delivery.

Here are some examples of both types of costs:

Fixed Costs:

- ✓ Depreciation
- ✓ Rent of building
- ✓ Leasing
- ✓ Rates and utilities (heating, lighting)
- ✓ Managerial salaries
- ✓ Office Expenses
- ✓ Insurance on vehicles or fire insurance
- √ Loan repayments

Variable Costs:

- ✓ Stock purchases
- ✓ Sales Commissions
- ✓ Freight Costs

- ✓ Packaging Costs
- ✓ Power consumption
- ✓ Incentive payments



Self-check 3	Written Test
Name:	Date:
Directions: Answer all the questions listed below. Illustrations may be necessary to aid some explanations/answers.	
1.Define cost.(2 points)	
2. Differentiate direct and indirect costs (3p	points)

Note: satisfactory rating: 5 and above, but unsatisfactory: below 5. You can ask your teacher for the copy of the correct answer



Information sheet 4	Factors and procedures in knowing the cost and expense of
	the enterprise

4.1. Procedures in knowing the cost:

- Analyze the flow of actual units
- 2. Convert the inventory to determine the equivalent units
- 3. Identify the total costs
- 4. Calculate the average cost per equivalent unit
- 5. Allocate these costs to finished units and Work in Process units

Cost management explained in 4 steps

Cost management is concerned with the process of finding the right project and carrying out the project the right way. It includes activities such as planning, estimating, budgeting, financing, funding, managing, controlling, and benchmarking costs so that the project can be completed within time and the approved budget and the project performance could be improved in time.

Cost management covers the full life cycle of a project from the initial planning phase towards measuring the actual cost performance and project completion.

Step 1: Resource planning

Resource planning is the process of ascertaining future resource requirements for an organization or a scope of work. This involves the evaluation and planning of the use of the physical, human, financial, and informational resources required to complete work activities and their tasks. Most activities involve using people to perform work. Some activities involve materials and consumables.

Resource planning begins in the scope and execution plan development process during which the work breakdown structure, organizational breakdown structure (OBS), work packages, and execution strategy are developed. The OBS establishes categories of labor resources or responsibilities; this categorization facilitates resource planning because all resources are someone's responsibility as reflected in the OBS.



Resource estimating (usually a part of cost estimating) determines the activity's resource quantities needed (hours, tools, materials, etc.) while schedule planning and development determines the work activities be performed. Resource planning then takes the estimated resource quantities, evaluates resource availability and limitations considering project circumstances, and then optimizes how the available resources (which are often limited) will be used in the activities over time. The optimization is performed in an iterative manner using the duration estimating and resource allocation steps of the schedule planning and development process.

Step 2: Cost estimating

Cost estimating is the predictive process used to quantify, cost, and price the resources required by the scope of an investment option, activity, or project. It involves the application of techniques that convert quantified technical and programmatic information about an asset or project into finance and resource information. The outputs of estimating are used primarily as inputs for business planning, cost analysis, and decisions or for project cost and schedule control processes.

The cost estimating process is generally applied during each phase of the asset or project life cycle as the asset or project scope is defined, modified, and refined. As the level of scope definition increases, the estimating methods used become more definitive and produce estimates with increasingly narrow probabilistic cost distributions.

Step 3: Cost budgeting

Budgeting is a sub-process within estimating used for allocating the estimated cost of resources into cost accounts against which cost performance will be measured and assessed. This forms the baseline for cost control. Cost accounts used from the chart of accounts must also support the cost accounting process. Budgets are often time-phased in accordance with the schedule or to address budget and cash flow constraints.

Step 4: Cost control

Cost control is concerned with measuring variances from the cost baseline and taking effective corrective action to achieve minimum costs. Procedures are applied to monitor expenditures and performance against the progress of a project. All changes to the cost baseline need to be recorded and the expected final total costs are continuously forecasted.



When actual cost information becomes available an important part of cost control is to explain what is causing the variance from the cost baseline. Based on this analysis corrective action might be required to avoid cost overruns.



Self-check 4	Written test	
Name	Date	
iname	Date	

- 1. Discuss and explain cost procedures? (2pts)
- 2. Mention cost management steps? (2pts)

Note: satisfactory rating: **4 and**, but unsatisfactory: below **4.** You can ask your teacher for the copy of the correct answer.



Information sheet 5	Preparing and understanding simple financial statements

5.1.Types of financial statements

A complete set of financial statements is used to give readers an overview of the financial results and condition of a business.

The financial statements are comprised of four basic reports, which are as follows:

a) Income statement: presents the revenues, expenses, and profits/losses generated during the reporting period. This is usually considered the most important of the financial statements, since it presents the operating results of an entity.

Example: ABC Business Income Statement for the Year Ended January 3, 1998 (Dollars in thousands)

Total sales	\$172,428
Cost of sales	\$134,373
Gross profit	<u>\$38,055</u>
Selling, general and administrative	\$14,844
expenses	
Income from operations	<u>\$ 23,211</u>
Other income	\$1,503
Interest expense	\$31
Income before provision for income	<u>\$24,683</u>
taxes	
Provision for income taxes	\$10,016
Net income	<u>\$ 14,667</u>

b) Balance sheet: presents the assets, liabilities, and equity of the entity as of the reporting date.



Asset = Liabilities + Owner's Equity

Example: ABC Business balance sheet for month December 31, 2000 (Dollars in thousands)

Asset		Liability and Owner's Equity	
Cash	\$ 5,000	Accounts payable \$8,000	
Accounts receivable	\$ 7,000	Notes payable \$ 2,000	
Inventory \$10,000		Total liabilities	<u>\$10,000</u>
Equipment	\$ 7,000	Total owner's equity	<u>\$19,000</u>
Total \$29,000	assets	Total Liability & Total Equity	<u>\$29,000</u>

Example: "XY" Company Balance Sheet at December 31, 2000

Current Assets		
Cash	\$110,000	
Accounts receivable	466,000	
Inventories	812,000	
Prepaid expenses	32,000	
Total current assets	\$1,420,000	
Noncurrent assets		
Land	\$ 85,000	
Buildings and equipment		
(net of accumulated	A ==0.000	
depreciation of	\$552,000	
\$313,000)		
Total noncurrent assets	\$637,000	
Total assets	\$2,057,000	
Current Liabilities	I	
Accounts payable	\$260,000	



Notes payable	225,000
Warranty obligations	112,000
Accrued expenses	75,000
Taxes payable	27,000
Total current liabilities	\$699,000
Noncurrent liabilities	
Bonds payable	\$350,000
Mortgage payable	150,000
Total noncurrent liabilities	\$500,000
Total liabilities	\$1,199000
Shareholders' equity	
Paid-in capital	\$600,000
Retained earnings	258,000
Total shareholders' equity	\$858,000
Total liabilities and shareholders' equity	\$2,057,000

c) Statement of cash flow: presents the cash inflows and outflows that occurred during the reporting period. This can provide a useful comparison to the income statement, especially when the amount of profit or loss reported does not reflect the cash flows experienced by the business. This statement may be presented when issuing financial statements to outside parties.

The Newton Company Cash Flows Statement for the Year Ended December 31, 2000

Cash flows from operating activities:		
Cash received from customers	\$61,000	
Cash paid to suppliers	(37,000)	
Cash paid for general and administrative functions	(19,900)	
Taxes paid	(3,000)	
Net cash provided by operating activities	1,100	
Cash flows from investing activities:		
Purchase of equipment	(2000)	



Cash flows from financing activities:		
Net borrowings	1,000	
Net increase in cash	100	
Cash at beginning of year	4,900 (Jan,01,2000)	
Cash at end of year	5,000 (Dec,31,2000)	

d) Statement of retained earnings: presents changes in equity during the reporting period. The report format varies, but can include the sale or repurchase of stock, dividend payments, and changes caused by reported profits or losses. This is the least used of the financial statements, and is commonly only included in the audited financial statement package.



Self-check 5	Written test	
Name	Date	

- 1. Discuss and explain Financial Recording documents? (2pts)
- 2. Discuss types of financial statements? (2pts)
- 3. Discuss types of cost and expense that occur in a business? (2pts)
- 4. Write importance of good record keeping? (2pts)

Note: satisfactory rating: **8 and**, but unsatisfactory: below **8.** You can ask your teacher for the copy of the correct answer.



HORTICULTURAL CROPS PRODUCTION LEVEL I

Learning Guide-54

Unit of Competence: Develop Understanding of

Entrepreneurship

Module Title: Developing Understanding of

Entrepreneurship

LG Code: AGR HCP1 M013 LO6-LG-54

TTLM Code: AGR HCP1 TTLM 1219v1

LO 6: Develop one's own business plan



Instruction Sheet	Learning Guide # 54

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

- Discussing and understanding the concept, importance and process of preparing/ writing a business plan.
- Feasibility of business idea.
- Interpreting, assessing and analyzing findings of the feasibility study.
- Applying standard structure and format in preparing business plan.
- Identifying and understanding problems that may arise or encounter when starting a business

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:

- Discuss and understand the concept, importance and process of preparing/ writing a business plan.
- Check feasibility of business idea.
- Interpret, assess and analyze findings of the feasibility study.
- Apply standard structure and format in preparing business plan.
- Identify and understand problems that may arise

Learning instruction

- 1. Read the specific objectives of this Learning Guide.
- 2. Read the information written in the "Information Sheets".
- 3.Accomplish the "Self-check" after each information sheet. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- 4.If you earned a satisfactory evaluation proceed to next"Information Sheet". However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Learning Activity #.
- 5. Read the information written in the next "Information Sheet".
- 6.Accomplish the next "Self-check". Again you can request the key answer / key to correction from your teacher or you can request your teacher to check it for you.



7.If your rating is unsatisfactory, see your teacher for further instructions or go back to Learning Activity # the first).



Information sheet 1	Discussing and understanding the concept, importance and
	process of preparing/ writing a business plan.

1.1. A business plan is a blueprint/proposal of your company, presented in standard business format that is logical and well documented. A business plan is also a formal statement of *business goals*, reasons they are attainable, and plans for reaching them. It may also contain background information about the organization or team attempting to reach those goals. A business plan is not just a document. It is a holistic analysis of your company, the environment it operates in, and a route map to achieving success based on the resources available.

Importance Business Planning

- 1. To plan for an uncertain future
- 2. To help grow your business
- 3. To commit to a particular course of action
- 4. To manage cash flow
- 5. To value a business
- 6. To ensure all bases are covered

6.2. The Business Plan Process

The business plan process is simply the steps you go through and actions you take when producing a business plan. In effect, it describes *how* you produce your business plan. While most people focus on the 'final output', i.e. the business plan itself, the business planning process is extremely important for entrepreneurs.

The process of producing a business plan forces entrepreneurs to examine areas of their business that typically may not be subject to much scrutiny. For example, entrepreneurs do not tend to routinely produce cash flow forecasts, so the requirement to produce one as part of the business planning process forces them to consider the impact of cash on their business.

The followings are the basic business plan processes:

- ✓ Decide who is going to write the plan (if not themselves).
- ✓ Gain an understanding of what a business plan contains.
- ✓ Decide how to write their plan



- ✓ Ensure that they know the content for the various sections of the business plan.
- ✓ Collaborate with partners or with colleagues from various departments (if the plan is for a bigger firm).
- ✓ Make sure the financials are realistic and accurate.
- ✓ Have someone review the plan.
- ✓ Print and bind the plan (if a formal document is needed) and/ or produce a presentation.
- ✓ Submit the plan to the recipient.
- ✓ Update the business plan as new details emerge.



Self-check 1	Written test	
Name	Data	
Name	Date	

- 1. Define business idea (3 points)
- Write the importance of business plan (3point)

Note: satisfactory rating: 6 and above, but unsatisfactory: below 6. You can ask your teacher for the copy of the correct answer.



Information sheet 2	Feasibility of business idea.

2.1. Feasibility of business idea.

- There is no magic answer to this question. Experience has shown that some of the
 most bizarre ideas, such as the concept of a personal computer have turned into
 successful businesses, while some have not.
- It's important to look critically and impartially at your business idea when determining whether or not it's worth investing your time and money.
- It can be difficult to remain impartial about an idea you're passionate about, so talk to a business advisor to get a qualified and objective perspective.
- While there are no guarantees that your business will succeed, a feasibility study will help you determine whether your idea will make a profit before you make a financial commitment.
- It's important to remember that what is considered feasible may differ greatly from person to person depending on the return on investment they want and the risk they're willing to take on.
- In your feasibility study you should analyse your business idea, market and competitive advantage as well as the financial feasibility of the business.

Analyze the business idea

- ✓ In this first stage of your feasibility study you need to look objectively at the idea and determine its profitability. This objective analysis would include:
 - assessing the market size;
 - assessing the competitive advantage of your idea;
 - obtaining independent endorsement of the idea;
 - assessing capital requirements;
 - considering your management ability; and
 - Finding out if anyone else has tried your business idea, and if they failed why?

Market analysis



✓ Once you have determined there is a market for the product or service you are planning to supply, you need to conduct some more research which should include the following:

Demand analysis:

✓ Here you determine the type of demand that exists for your product or service (eg: consumer, distributor), and establish the size of the market and its growth capacity.

Supply analysis:

- ✓ Look at the lifecycle of the industry. Is it the right time for you to be entering it?

 Also study the way the industry is structured and think about how that will affect your business.
- ✓ Relationship analysis: how do the various groups within the industry interact? What is the bargaining power of buyers and suppliers? Is there a threat of substitute products or new entrants?

Competitive advantage analysis

- ✓ Now that you've established that your idea is a good one and that there is a market for what you are offering, you need to determine what makes your product or service special. Ask yourself these questions:
 - How is my product or service different to those offered by my competitors?
 - Why will customers purchase the product or service from me rather than my competitors?
 - Are there any barriers to me entering the market?
 - What makes my competitors successful?

Financial feasibility analysis

- ✓ The final part of your study should address the financial feasibility of the business idea which involves the following:
 - preparing a sales forecast;
 - estimating start-up and working capital requirements;
 - estimating profitability; and



Assessing financial viability

Self-Check 2	Written Test
Name:	Date:
Time started:	Time finished:

Directions: Answer all the questions listed below. Illustrations may be necessary to Aid Some explanations /answers:

- 1. What are the Problem solving is a four-step process? (4)
- 2. List the classification of sourcing information?(3)
 - Note: satisfactory rating: 7 and, but unsatisfactory: below 7. You can ask your teacher for the copy of the correct answer.



Information sheet 3	Interpret, assess and analyze findings of the feasibility
	study

3.1. Interpret, assess and analyze findings of the feasibility study

A business feasibility study is a comprehensive report that examines in detail the five frames of analysis of a given project.

A feasibility study evaluates the project's potential for success; therefore, perceived objectivity is an important factor in the credibility of the study for potential investors and lending institutions.

Feasibility study should focus on the following:

Marketing feasibility: total demand size, growth rate of market

In the case of horticultural crops marketing includes

- planning production;
- growing and harvesting;
- grading of products and their packing, transport, storage, processing, distribution and sale;
- Sending information from production area to market (e.g. products available, volumes) and from market back to producing areas (e.g. prices and supply levels, consumer preferences and changes in taste).
 - ✓ Technical feasibility: Technical knowhow of production cost of acquisition.
 - ✓ Physical resource feasibility: availability of raw materials & supp
 - ✓ Financial feasibility: availability of adequate capital, and cost of funds.

Time feasibility: duration required to operate the business & make expected profit



Self-check 3	Written test		
Nama	Data		
Name	Date		

- ♣ 1. Define business feasibility study (2points)
- 2. Why business feasibility study needed?(3 points)
- Write the focus areas of feasibility study? (3point)

Note: satisfactory rating: 8 and , but unsatisfactory: below 8. You can ask your teacher for the copy of the correct answer.



Information sheet 4	Applying business	structure	and	format	in	preparing

4.1. The basic parts of business plan include:

1 Executive Summary

The executive summary is an overview of the entire business plan and will either capture the reader's attention or make them lose interest before reading any further. A crucial part of the business plan, the summary will basically tell readers the history of your company, where it is today and what direction it is headed; this is where you sell other on the potential success of your business idea.

2.Market Analysis

Market analysis include in this section a description of the industry, information on your target market, evaluation of your competition and market test results.

3. Company Description

Company description includes the nature of your business and factors that will make your business a success. Include a description of how your product or service will meet a need and any potential clients identified as having that need.

4. Management and Organization

This part of business plan details about ownership of company, management and board of directors (if applicable). Qualifications, experience and education are important to provide readers with an insight as to how these individuals fit into the <u>organizational structure</u> and what they can bring to the table in their designated roles.

5.Marketing and Sales Management

Outline pricing and sales information. Include rationalizations for why your audience will buy your products or services and how you will reach them through marketing and advertising efforts. Describe the marketing strategy and how you intend to drive sales. Include market penetration strategy, growth strategy, distribution strategy and communication strategy. Sales strategies should also be included to provide information on sales staff and activities.



6.Product or Service Line

Describe the products manufactured or sold or the services offered. Classify the different types of products or services and provide a brief description of each. Describe to readers what you are selling and how the product or service will benefit current and potential customers. Provide evidence that your company offers a product or service that serves as a solution to a problem identified by your target market. Information regarding service or product costs, suppliers and any new services which may be added should be included in this part.

7. Financials

Both past financial data as well as prospective financial data will be required by potential lenders. Include the following financial statements for the past three to five years; cash flow statements, balance sheets and income statements. The same statements should be prepared with forecasted data for the next five years. In general financial plan includes all financial information, from startup costs to balance sheets. The financial section should outline:

- i. The amount necessary to start or maintain the business
- ii. The amount needed over the next two, three, and even five years
- iii. Plans to use funds
- iv. Anticipated need for additional funding
- v. Ongoing business expenses, including salaries, insurance costs, promotional expenses, etc.
- 1. Assessment of Risk:-evaluation of weakness of business, use of new technology, etc...

Appendix: Documents which may be included in the appendix include market study details, reference letters, personal and business credit history, patents, permits, contracts and contact information for consultants



Self-check 4	Written test		
Name	Date		

♣ 1. Briefly discuss the parts of business plan (5points)

Note: satisfactory rating: 5 and above, but unsatisfactory: below 5. You can ask your teacher for the copy of the correct answer.



Information sheet 5	Identifying and understanding problems that may arise or encounter		
	when starting a business		

5.1. Some key hurdles that all entrepreneurs and business owners face when starting a business are:

A. Competition

New businesses are often the little kid in a very, very large, bully-filled playground. Rival companies that are already trading in similar markets to yours, already have the upper hand and advantage. They have been operating for a longer time, have gained more knowledge in operating that sort of business, know the market better and can probably adapt to the market changes quicker.

B. Lack of Funding

99% of people thinking of starting a business wont because of the realisation of the costs and the lack funding available. It's funny that we start businesses with the aim of making loads of money, but in fact you can't make money unless you have money to fund the business from the beginning. Financial risk plays a huge part in small businesses, ensuring and maintaining a healthy cash flow is essential. Start-ups need substantial amounts of money to cover costs. When you're starting from scratch there's many things that need to be developed, for example, logos, website, accountants, marketing materials, staffing, launch programme, merchandise, the list goes on and the bill goes up and up!!

C. Time Restraints

Starting a business is not a part time Saturday job, business owners need to be able to commit to extremely long hours in the start-up phase. There is everything from staff contracts and health and safety policies to marketing materials and websites to develop and the longer this takes the longer the business takes to be established and the higher the financial risk becomes. The owner will become responsible for everything from the grunt work to the office managerial responsibilities.

D. Poor Planning

Many business fail in the first year due to poor planning and preparation before declaring themselves as "OPEN FOR BUSINESS!" Before launching any business everything from



suppliers to rates should be investigated. Noticing a hike in unexpected costs after you have just launched a business can bankrupt the plans in no time. Extra time should be taken ensuring that everything is covered, the best way to do this is by creating a comprehensive business plan.

E. No Historical Data

New start-ups often face the problem of just not knowing what is going to happen or what should happen. Launching a new business concept to the market or even for the business owner they with little knowledge of the industry can be extremely hard to plan for, as there are no expectations.



Self-check 5	Written Test
Name:	Date:

1. what are problems while doing business?(5)

Note: satisfactory rating: **5 and above,** but unsatisfactory: below **5.** You can ask your teacher for the copy of the correct answer.



Operation sheet1	preparing business plan			

Steps to generating your successful business

- 1. Start thinking! Get your brain to work
- 2. Buy a note book
- 3. Follow your passion
- 4. Keep your eyes open
- 5. Capitalize on your strengths
- 6. Explore new things

Carrot, Beet root

- 7. Check your bank account
- 8. Know what you want in life
- 9. Choose a business that suits your personality
- 10. Read about other people that started their own business

LAP Tes	st	preparing business plan		
Name:		Date:		
Time sta	ırted:	Time finished:		
Instruct	ions: Given necess	ary templates, tools and materials you are required to perfor	m	
	the following to	asks within 2-3 hours.		
Task 1:	develop the busines	ss plan for horticultural crops(Avocado, mango, Tomato,Cabba	ge.	



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Profile of trainers participate on special Horticultural Crop Production TTLM development for level I at Adama 2019