



## **Ethiopian TVET-System**



# **Irrigation and Drainage Construction Level II**

**Based on Feb, 2017 G.C. Occupational Standard**

**Module Title: Developing Business Practice**

**TTLM Code: EIS IDC2 TTLM 0920v2**

## **This module includes the following Learning Guides**

### **LG 10: Identify business opportunities and business skills**

LG Code: EIS IDC2 M04 LO1-LG-10

### **LG 11: Plan for the establishment of business operation**

LG Code: EIS IDC2 M04 LO2-LG-11

### **LG 12: Implement business development plan**

LG Code: EIS IDC2 M04 LO3-LG-12

### **LG 13: Review implementation process and take corrective measures**

LG Code: EIS IDC2 M04 LO4-LG-13

### **LG 14: Establish contact with customers and clarify needs of customer**

LG Code: EIS IDC2 M04 LO5-LG-14

### **LG 15: Develop and maintain business relationship**

## LG Code: EIS IDC2 M04 LO6-LG-15

<b>Instruction Sheet</b>	<b>Learning Guide 10: Identify business opportunities and business skills</b>
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This learning guide is developed to provide you the necessary information regarding the following Identify business opportunities and business skills and topics.

- Elaborating ,Discussing the concept of paradigm shift and means of divergent thinking and strategies to look beyond boundaries
- Identifying unusual business opportunities.
- Assessing and matching feasibility on business skills and personal attributed.
- Elaborating new behavior on how problems can be the pivotal source of business opportunity.
- Discussing with feasibility study of specialist and relevant parties.
- Evaluating impact of emerging or changing technology on business operations.
- Assessing practicability of business opportunity in line with perceived business risks
- Revising business plan in accordance with the identified 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

- Elaborate, Discuss the concept of paradigm shift and means of divergent thinking and strategies to look beyond boundaries
- Identify unusual business opportunities
- Assess and match feasibility on business skills and personal attributes against those perceived as necessary for a particular business opportunity.
- Elaborate new behavior on how problems can be the pivotal source of business opportunity.

- Assess practicability of business opportunity in line with perceived business risks
- Revise business plan in accordance with the identified opportunities.

### Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below 3 to 6.
3. Read the information written in the information “Sheet 1, Sheet 2, Sheet 3 , Sheet 4”.& sheet 5 ,6,7 and 8
4. Accomplish the “Self-check 1, Self-check 2, Self-check 3, Self-check 4” self check 5 and 6, 7 and 8 respectively.
5. If you earned a satisfactory evaluation from the “Self-checks” proceed to the next learning guide.

<b>Information Sheet-1</b>	<b>Elaborating ,Discussing the concept of paradigm shift and means of divergent thinking and strategies to look beyond boundaries</b>
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## 1.1. Introduction

This unit covers knowledge, skills and attitude required to establish a business operation from conception. It includes researching the feasibility of establishing a business operation, planning the setting up of the business, implementing the plan and reviewing operations once commenced, customer handling, developing and maintaining business relationships.

## 1.2. The concept of paradigm shift

The word, Paradigm refers to the commonly accepted theories, values and practices that constitute normal ways of doing within any particular activity. It is a set of assumption within which a particular business operates. Paradigm shift requires a change from one way of thinking to another. It's a transformation from basic to the deeper understanding of everything.

Based on the set of rules and regulations (written or unwritten) applied in a society, there exists established or defined boundaries and ways as to how to behave within the boundaries in order to be successful. Paradigm serves to define what should be done, the ways of doing it and what rules should be followed in conducting the activities. When differences or inconsistencies arise within a given paradigm and present problems that we are unable to solve within a given paradigm, our view of the reality must change. We must take on new assumptions and expectations that will transform our theories, traditions, rules, and standards of practice. In doing business activities, people do business in a similar way which leads to the introduction of the same way of doing business.

But if we want to be more successful we need a paradigm shift of the way of doing the business. Applying different production method, making change on the marketing methods and all the ways of doing business require divergent thinking.

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Divergent thinking in turn requires changing the routine activities with different out looks through identification of new ideas and outlook.

Some of the strategies to divergent thinking include:

- brain storming,
- developing new skills,
- exposure to new environments,
- networking among other things.

<b>Self-Check -1</b>	<b>Written Test</b>
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## Information Sheet-2

## Identifying unusual business opportunities

### 2.1 Business opportunities

A key question any entrepreneur could face is finding the business opportunity that is right for them. This can be done when the following set of questions are answered.

- Should the new start-up focus on introducing a new product or service based on an unmet need?
- Should the venture select an existing product or service from one market and offer it in another where it may not be available?
- Should the firm bank on a tried and tested formula that has worked elsewhere, such as opening a breakfast shop with similar value?

Opportunity identification and selection the ability to identify business opportunities to start a business is an essential characteristic of an entrepreneur. Opportunity identification is one of the key areas a business man can forge change and become more successful. Identifying business opportunities requires generating ideas which refers to the scanning and understanding of the environment with respect to unmet needs and wants of the society. This includes looking through what is going on in our surrounding. Taking a small level perspective or viewing what is happening in the business environment can be seen from the social, technological, economic and environmental point of view. Some of the ways of scanning the environment include looking closely at the market to determine the demand and supply gap, the level of people's skills through observing your community and availability of business assistance program like government program. Such task involves innovation and creativity.

Creativity refers to the ability of coming up with something new and original. It requires skills of flexibility, originality, fluency, elaboration, brainstorming, modification, imagery, imagination and curiosity. Creativity comprises of three components: expertise (knowledge-technical, procedural and intellectual), creative-thinking skills (how do you approach problems?), and motivation (intrinsic motivation is more effective). On the

other hand, innovation is the processes of making improvements to something that already exist. Looking for what will work and will be economically viable as products, services, processes Skills for R&D, new product development, flexibility, effective project management, understanding needs, being customer centered, engaging people/organization.

Creativity involves imagining a new reality and innovation is required to make it work by developing ideas into applications and solutions. In order to generate new ideas, the skills and knowledge and critically the ability for flexible thinking is required.

Some of the means of collecting information that can be used for seizing unusual opportunities include:

- Accessing networks
- Public meetings, trade fairs and media
- Focused group discussion
- Key people surveys
- Publications
- In-depth interviews
- Usage and awareness studies

These means of collecting information can be used to identify unusual business opportunities and translate them in to sound businesses by adopting innovative and creative values.

## 2.2 Identifying business opportunity

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. 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.

### What is a business opportunity?

A business opportunity may be defined simply as an attractive idea or proposition that provides the possibility of a return for the investor or the person taking the risk. Such

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opportunities are determined by customer requirements and lead to the provision of a product or service which creates or adds value for its buyers or end-users. However, a good idea is not necessarily a good business opportunity. For example, you may have invented a brilliant product from a technical point of view and yet the market may not be ready for it. Or the idea may be sound, but the level of competition, and the resources required may be such that it is not worth pursuing. Sometimes there may even be a ready market for the idea, but the return on investment may not be acceptable.

### **What turns an idea into a business opportunity?**

A simplified answer is when income exceeds costs and generates a profit. In practice, to be comprehensive, you need to examine the factors listed below. Characteristics of a good business opportunity to be a good business opportunity, it must fulfill, or be capable of meeting, the following criteria:-

- Real demand: responds to unsatisfied needs or requirements of customers who have the ability to purchase and who are willing to buy
- Return on investment, provides acceptable returns or rewards for the risk and effort required
- Be competitive: be equal to or better (from the viewpoint of the customer) than other available products or services
- Meet objectives: meet the goals and aspirations of the person or organization taking the risk
- Availability of resources and skills: the entrepreneur is able to obtain the necessary resources.

### **2.3 Assessing business opportunities**

Ideas and opportunities need to be screened and assessed for viability once they have been identified. This is not an easy task, and yet at the same time, the assessment of business opportunities is extremely important. This assessment can make the difference between success and failure, between making a fortune and losing everything. While the assessment exercise does not guarantee success, it certainly helps in minimizing the risks and reduces the odds for failure.

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Identifying and assessing business opportunities involves, in essence, determining risks and rewards/returns reflecting the following factors discussed below.

A good business opportunity should take into account:

- Industry and market, real demand for a product or service
- Length of the ‘window of opportunity’
- Personal goals and competencies of the entrepreneur
- Management team (human resources)
- Competition
- Capital, technology and other resource requirements
- Business environment (political, economic, legal, government regulations etc.)

### **I. Industry and market**

The key question to be answered is whether there is a market for the idea. A market in this context consists of customers – potential or actual – who have needs and wants, and who have the ability to purchase your intended product or service. There is also a need to consider whether what the customer wants can be provided at the right price, in the right place, and in a timely manner. Another important consideration is the size of the market and the growth rate of the market. The ideal situation is a market that is large and growing, where getting even a small market share can represent a significant and increasing volume of sales. For this assessment exercise, the would-be entrepreneur needs to gather information. If some potential entrepreneurs are tempted to think that it involves too much hard work, they might take some comfort from the saying that the data available about markets (size, characteristics, competitors etc.) is often inversely related to the real potential of an opportunity. In other words, if market data is readily available and if the data clearly shows significant potential, then it is likely that a large number of competitors will enter the market and the opportunity will not be as good.

There are several sources of published information (also called secondary information), including libraries, chambers of commerce, investment promotion centers, government ministries, universities, foreign embassies, the Internet, newspapers, and so on. In

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addition to the above, there is often the need to collect information at the source (also called primary research) by interviewing key people, such as customers and suppliers. In that case, you will need to conduct survey research.

## **II. Length of the ‘window of opportunity’**

Opportunities are said to have a ‘window of opportunity.’ That is, they do exist, but they do not remain open forever. Markets grow at different rates over time, and as a market gets bigger and more well-established, conditions for success are not as favorable. Timing is therefore important. The issue then is to determine the length of time the window will be open, and whether the opportunity can be created or seized before the window closes.

## **III. Personal goals and competencies of the entrepreneur**

An important question for anyone venturing into business is whether they want to undertake that particular venture. Personal motivation is an essential attribute of a successful entrepreneur. Unless a person really wants to do that kind of business, he or she should not venture into it. A related question is whether the potential entrepreneur has the necessary competencies (including the knowledge, skills and abilities) for the requirements of the business and, if not, whether other people could be brought in. Many small business owners/managers have entered into business based on the strengths of their own skills and ability. When the above aspects are combined, the issue then becomes one of whether there is a good fit between the requirements of the business and what the entrepreneur wants or desires. This is important, not only for success, but also for the entrepreneur’s happiness. As the saying goes, “Success is getting what you want; happiness wants what you get.

## **IV. Management team**

In many ventures, particularly those involving a large amount of capital, high risk, sophisticated markets and high competition, the management team is usually the most important dimension in determining the success of a business. The experience and skills that the teams possess in relation to the same or a similar industry often

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determine success or failure of a new business. This explains why venture capitalists, or those people who provide finance for businesses, put so much emphasis on the management factor. Investors often say that they would rather have good management with an average idea/product/service than a brilliant idea/product/service with bad management.

## **V. Competition**

To be attractive, an opportunity must have a unique competitive advantage. For example, a business may have a competitive advantage by lowering costs in terms of production and marketing. Or better, a business may offer better quality. In addition, the availability of entry barriers – which could take the form of high amounts of capital required, protection such as patents or regulatory requirements, contractual advantage such as exclusive rights to a market or with a supplier – can make the crucial difference between a ‘go’ and a ‘no go’ investment decision. If a business cannot keep most would-be competitors out of its market, or if it faces existing entry barriers, then the opportunity may not be very attractive.

## **VI. Creativity**

Definition: - Creativity is the ability to design, form, make or do something in a new or different way. Creativity is the ability to come up with innovative solutions to needs/problems and to market them. An entrepreneur’s creativity is often the difference between success and failure in business. Creativity often distinguishes high-growth or dynamic businesses from ordinary, average firms. To be creative, entrepreneurs need to keep their mind and eyes open to the environment.

Most people can think of several occupations which require creativity - artist, musician, dancer, designer and scientist. However the need for creativity is not limited to these occupations. Creative ideas are needed anywhere there are problems with unknown solutions. In the business world, entrepreneurs use creativity to solve everyday problems, promote products and services, update products and services, and make use of limited resources.

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Because people become accustomed to thinking in certain ways, they may have difficulty thinking of original ideas. People can develop their creative potential through learning and practice. Several techniques can be used to develop more creative thinking habits. Some of these techniques are: increasing awareness of one's environment, brainstorming and changing existing ideas.

Increasing awareness of one's environment means learning to pay attention to sights and sounds we ordinarily ignore. Most people are in the habit of blocking out certain sights and sounds in order to concentrate on one thing at a time. By paying attention to what we usually ignore, we can open our minds to new ways of thinking.

**New and original ideas** can be developed by using existing ideas as a starting point. Parts of existing ideas can be changed in many ways. They can be: made bigger, made smaller, modified in color, taste or style, rearranged, reversed, substituted or combined. Products and services are often changed to make them more attractive by using this simple technique. This method could also be used to help entrepreneurs make their working situations more pleasant and efficient. By developing and using their creativity, entrepreneurs can increase their potential for success.

The appreciation of creativity has been more important for entrepreneurs in the past several years. It is increasingly accepted that intellect and credentials take a back seat to the ability to respond creatively to challenging situations.

## The seven steps in expanding your creative potential:

1. Examine how you perceive creativity and creative people. Our results-oriented culture has tended to look at those whose creativity produces a product — a book, painting or cake — as officially creative.
2. Spend time with creative people. Observe how they act, think, relax and respond. Ask them to talk about what events in their lives influenced their creativity.
3. Learn your own warm-up process. This warm-up process increases your ability to ready yourself to develop a creative idea and take positive risks in making changes, even small ones. What events and settings seem to encourage your creative actions?
4. Move, dance, exercise, bicycle, walk and stretch. These physical activities get us out of our thinking brain and allow us to truly inhabit all of our body. As the body moves, the right and left parts of the brain; both the imaginative side and the cognitive side are able to work together more efficiently.
5. Listen to music and experiment with improvisational exercises. Notice how different types of music promote various levels of energy within you. Theater and drama exercises will help you practice different ways of responding, apart from your habitual roles.
6. Keep a notebook of interesting or creative ideas and observations. Paste a few pictures from magazines that interest or intrigue you, even if you don't know why. Scribble and doodle. Whatever you do, don't censor yourself. See what happens.
7. Find a mentor or coach who can help you develop your creativity to a higher level.

Self-Check -2	Written Test
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**Directions:** Choose the best answer for the following questions and write your answer on the answer sheet provided (2 pts each)

- is ability to design, form, make or do something in a new or different way.  
A. Competition    B. Creativity    C. Management team    D. None
- A good business opportunity should take into account:  
A. Industry and market, real demand for a product or service  
B. Length of the 'window of opportunity'  
C. Personal goals and competencies of the entrepreneur  
D. Management team (human resources)  
E. E. All
- Which one is the characteristics of a good business opportunity criteria:-  
A. Real demand    B. Return on investment    C. Be competitive    D. All

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

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

### Answer Sheet

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

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

### Short Answer Questions

- .....
- .....
- .....

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

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

<b>Information Sheet-3</b>	<b>Assessing and matching feasibility on business skills and personal attributed.</b>
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### 3.1 Conducting feasibility study for a business

A feasibility study is a study that assesses the viability of an idea. It seeks to identify potential problems and determine whether an idea will work. It provides details on how a business can be successful. It serves as a tool for creating a good business plan.

A feasibility study is conducted by identifying potential problems for a business that could make it unsuccessful. This is accomplished by examining the three main functions that determine the success of the business; these are finance, marketing and organization.

The purpose of a feasibility study is to analyze a business proposal to determine if the project is viable and help to prevent an investor from wasting money and time on unprofitable business venture. A feasibility study is conducted at the idea stage of planning a business. It is not to be confused with a business plan. A business plan is only created after a feasibility study is conducted and a decision is made to move forward with business planning.

### 3.2 How to write a feasibility study report

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

The report is organized should consider the following points

- **Project description:** Detailed information on what the project is all about is included in the project description. The background information and rationale for the project should be listed here.

- **Possible solutions:** A number of alternative solutions to solve the problem of the project are proposed. Alternatives analysis to come up with a few different ways to solve the issue is listed in this section of the report.
- **Evaluation criteria:** This section sets and defines the evaluation criteria for the possible solutions
- **Pinpoint the most feasible solution:** Describe the most feasible solution here. It should be the one that is the most economically and technically feasible.
- **Conclusion:** The conclusion summarizes the report. Review the aim of the project and reiterate the most feasible solution.

### 3.3 Business skills

Business skills are essential for conducting a feasibility study which include :

- **Financial management:** Effective management of business finance is critical. It is about forecasting cash flow and sales, and monitoring profit and loss as well.
- **Marketing, sales and customer service:** It is important to be able to promote the products and/or services effectively. Providing good customer service and having a marketing strategy in place will help generate sales.
- **Communication and negotiation:** It is essential to communicate and negotiate with suppliers, potential investors, customers and employees. Effective written and verbal communications skills help build good working relationships. Every communication should reflect the image of the project.
- **Leadership:** Since business is done with people, leadership skill is a key factor in building a good relationship with employees, customers, vendors, suppliers and other stakeholders. It is important to motivate staff and allocate time to mentor and coach employees in order to get the best out of them and improve productivity.
- **Project management and planning:** Starting a business means managing a range of projects such as
  - ✓ Arranging the location and lay out of the enterprise and developing a range of strategies and procedures.

- ✓ Knowing how to effectively manage resources, including time, money and staff will help you to achieve your goals.
- **Delegation and time management:** Failure to delegate is a problem which is usual faced by many business owners because there is lack of attention in sharing responsibilities and authority. Identifying the right person to delegate tasks allows the management to concentrate on those tasks that generate revenue.
- **Problem solving:** The business environment is highly dynamic which requires creativity and innovative skills to solving problems in the course of business operation. This requires the ability to make good decisions even under pressure.
- **Networking:** Building good relationships through networking will grow the business and get the support from customers, suppliers, and other stakeholders.

### 3.4 Personal attributes of successful entrepreneurs:

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

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

### 3.5 Component of feasibility study

A feasibility study contains five major components namely:

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- Marketing study,
- Technical study,
- Organizational and production study
- Management study & personnel
- Financial study

### 3.5.1 Market feasibility study

Market Feasibility study includes

- The industry in which the business operates. Include the size, growth rate, etc
- demand and supply factors and trends
- target market for the products and clearly state why would customers buy the product
- the level of actual market demand and anticipated future market potential
- Direct and indirect competition (as it pertains to the target market only).
- What is unique about the enterprise's product compared to the competition?
- list all key barriers to entry

### 3.5.2 Technical feasibility study

Technical Feasibility study includes

- Details how you will deliver a product or service (i.e., materials, labor, transportation, where your business will be located, technology needed, etc.).
- additional or ongoing research and development needs

### 3.5.3 Financial feasibility study

Financial Feasibility study includes

- Projects how much start-up capital is needed and when? What sources will provide the capital?
- balance sheet projections
- income projections
- cash flow projections

- When will the enterprise begin to turn a profit, i.e. BEA?
- What is the expected return on investment (ROI)?
- Will the enterprise provide a viable ROI for the entrepreneur (cost benefit analysis)?

### 3.5.4 Organizational and production feasibility study

Organizational and production Feasibility study includes

- Defines the legal and corporate structure of the business (may also include professional background information about the founders and what skills they can contribute to the business).
- What physical location is required? Give location, size, condition, and capacity of planned production and storehouse facilities.
- How complex is the manufacturing process? Describe equipment needed and costs.
- Will space be owned or leased? Will renovations be required? At what costs?

### 3.5.5 Management and personnel feasibility study

Management and personnel Feasibility study includes

- List the proposed key managers, titles, responsibilities, relevant background, experience, skills, costs
- Sketch personnel requirements: what people will be needed now, in a year, in the long term? What skills and qualifications are required and what financial implication results?

## Written Test

<b>Information Sheet-4</b>	<b>Elaborating new behavior on how problems can be the pivotal source of business opportunity</b>
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#### **4.1 Problems as a pivotal source of business opportunity**

Business opportunities are situations found in the environment that can help entrepreneurs to convert ideas in to business. The ability to recognize new opportunities and to think creatively is essential for success in today's competitive market. One way to identify business opportunities is to study current trends. Some ways that help to identify opportunities from problems include practicing brainstorming, finding creative solutions to common problems, looking at ordinary items in new ways and connecting unrelated items. Identification of creative ideas can be enhanced through: -

- Observing the surrounding environment.
- Looking in to the demographic changes.
- Being devoted to read.
- Developing new interests, hobbies, and work experiences.
- Consult outside sources of information including experts

Whether you start a business from scratch or buy an existing business and make it better, owning a business that is compatible with your personal values and goals is critical. Personal values and goals should be used as a guide when choosing entrepreneurial pursuits. The existence of problems gives an opportunity to start a business that can provide solution to the problem.

After identifying the problem and the business opportunity, the opportunity should be evaluated considering the company, the industry, customers, employees, and suppliers, and using advantage of the existence of support from advisors, experts, and/or government support.

In recognizing the business opportunity, identify the importance of personal values and describe the challenges and rewards of starting a business. List the benefits and

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drawbacks of working in partnership, cooperatives, and private limited company or buying a new business. Describe how you can evaluate a business opportunity and compare the advantages and disadvantages of starting your own business.

In the process of identification of problems and opportunities, you have to seek for any assistance available in the environment. It may include short term trainings, loan from micro finance and support from various stakeholders. For example, in your community if there is a dependence on imported furniture products, it means there is an opportunity for you to join the furniture industry by using local materials which helps reduce cost and substitute the imported furniture with improved quality and secured standards. There can also be other problems you can see in your community that you can change in to business opportunities. These problems can be categorized as customer relationship management problems, poor management, problems in the public service organizations, lack of leisure options and others.

Self-Check -4	Written Test
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**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided.

- Which of the following is the techniques of conducting market research?(3pt)
  - Contacting known sources of supplies or services.
  - Doing market surveys to obtain information from potential sources.
  - Contacting government research laboratories & centre managing basic research
  - All
- How can use market research?(3pt)
  - To determine the customary practice
  - To facilitate the preparation of acquisition documentation leading to best value acquisition decision
  - To acquire products or services faster cheaper & with better capabilities
  - All
- A continuous process of collecting & analyzing data on products is (2pt)
  - Market
  - Market research
  - A & B

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

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

### Answer Sheet

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

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

### Short Answer Questions

1..... 2..... 3.....

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

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

<b>Information Sheet-5</b>	<b>Discussing with feasibility study of specialist and relevant parties</b>
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### 5.1 Assistance for conducting feasibility study

Conducting feasibility study is an input for success of a business since it clarifies the viability of a certain business idea to convert it in to business. It requires knowledge and skill of either the individual who generate the idea or professional assistants to assess whether the idea is attractive or not.

Specialist and relevant parties who may assist in conducting feasibility study include:

- Chamber of commerce
- Financial planners and financial institution representatives, business planning specialists and marketing specialists
- Accountants
- Lawyers and providers of legal advice
- Government agencies
- Industry/trade associations
- Online gateways
- Business brokers/business consultants

### 5.2 Where to obtain information and assistance

Information and assistance may be obtained from

1. Industry data is helpful in comparing a business to other similar businesses. This data is available from trade associations or government agencies and includes ratios such as: stock turnover, cash discounts, percentage mark-up and average sales per month.
2. Membership-based organizations can provide services such as political lobbying, conducting research, organizing education and training programmes, implementing new technology, responding to members' questions and concerns and disseminating information through newsletters, magazines and special reports.

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1. **Employees.** Few entrepreneurs can do everything themselves, and they need qualified employees to relieve them of most of the day-to-day operational problems. This allows them to dedicate their time to working on the longer range problems. The people who work for a business can provide answers to specific problems in a business. For example, entrepreneurs might ask employees for their advice and assistance about stock display or customer attitudes. Employees are in a good position to give valuable advice providing they know that their opinions and suggestions are valued.
2. **Customers.** These people can supply very special information about the products and services they buy. Customers should be asked their opinions because they are an excellent source of information about the relative strengths and weaknesses of a business operation.
3. **Suppliers.** Because the success of most suppliers depends on the businesses they serve, it stands to reason that they should be interested in an entrepreneur's success. Many suppliers are able to give sound management advice because they are able to explain how other successful businesses operate and provide suggestions about how businesses can improve.
3. **Other Business Owners.** Most businesses have common problems and owners are generally willing to discuss their problems with one another. Occasionally, the competitive nature of business may discourage this frank exchange. If the businesses are unrelated and do not compete for the same customers, entrepreneurs may be willing to share ideas concerning solutions to common problems. In this way, all business owners can benefit from this interaction and improve their business operations. In many countries business networks have been created to support certain categories of businesses, recognizing how this can be of mutual benefit. Women business associations often exist both at the regional and national level. These networks often run websites where relevant contacts and support can be retrieved.

**4. Free Web Sites.** Information and communication technology specialists will direct you to free web sites. Consult them.

Information and Assistance Can be Provide “FOR A FEE”

**1. Professionals.** Use the talents of professionals, such as web designers, IT specialists, financial advisors, bankers, management consultants, insurance agents, accountants and book-keepers, estate agents, surveyors and lawyers, to assist in solving business problems. Try to develop good questioning techniques to get as much advice and information as possible from these professionals. Each professional person is a potential resource, but entrepreneurs must be able to explain their needs clearly and ask relevant questions concerning their needs so that professionals can provide valuable advice.

**2. BDS Providers.** Use the Directory of BDS (Business Development Service) Suppliers to contact them

### Self-Check -5

### Written Test

**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided.(2 pts each)

1. Specialist and relevant parties who may assist in conducting feasibility study Not include:

- A. Chamber of commerce
- B. Financial planners and financial institution representative
- C. business planning specialists and marketing specialists
- D. All
- E. None

2. Which One is free to provide Information and Assistance?

- A. Employees.
- B. Customer
- C. Other business owner
- D. All

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

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

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

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

### Short Answer Questions

- 1. ....
- 2. ....

**Note: Satisfactory rating - 2 point Unsatisfactory - below 2 points**

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

Information Sheet-6	Evaluating impact of emerging or changing technology on business operations
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## 6.1 Impact of technology and e-commerce

The process of starting a new business is based on innovative technology that has the potential to become a profitable leader in global markets. Successful entrepreneurs have a clear concept of what they are trying to accomplish and use suitable technology in order to help them achieve their goals more quickly. In order to ascertain which technology will align with their goals, entrepreneurs must have an open view towards the application of adopted or copied technology in line with the country's strategies in terms of its cost, productivity, transferability and/or flexibility according to the nature of their businesses.

Thus, we can say that technology is vital to the entrepreneurial development as it is inevitable in the creation and working of an enterprise. Technology aids in entrepreneurial development and also inspires innovative changes which help the entrepreneurs in a positive way.

**The impact of e-commerce:** One of the technological advancements that facilitate business operations is e-commerce. E-commerce is an emerging area that encompasses process directly or indirectly related to the buying, selling and trading of products, services and information via computer networks including the internet. It changes the way people represent their business. It can be seen as a new method to conduct business and interact with consumers, suppliers and competitors. The significant positive aspects of e-commerce are reducing costs, process simplification, generating new revenue, taking faster decisions, and improving customer service.

E-commerce will eliminate mediation process as producers can sell their products directly to consumers. Firms will have fast knowledge of what customers want. Firms can use this knowledge to guide the development of their product lines and identify new growth areas at their earlier stages. Consumers will also benefit in terms of

lowering final prices due to lower transaction costs. Consumers will have a wider and direct access to producers of goods and services without intermediaries. It will also help small- and medium-sized enterprises (SMEs) to gain greater market reach for their products and services. It offers consumers a wide range of new opportunities to do direct shopping and banking using the convenience of a home computer or other communication devices including mobile phones, visa cards, etc. It will accelerate the shift of market power of consumers, from the middle men like brokers and intermediaries to the producer.

### Impact of Technology on Business

- Together with the advancement of science and technology, technological innovations grew along with it, resulting to the emergence of new equipment and tool.
- No matter how big or small your enterprise is, technology brings both intangible and tangible benefits to become cost efficient and to meet the growing demands and needs of customers.
- Technological innovation affects corporate efficiency, culture and relationship among employees, clients, suppliers and customers.
- The type and quality of technology used affect the security of confidential business information.
- Due to the burden brought by administrative tasks, like inventory controlling, bookkeeping and records keeping, both big and small companies rely on computers to do their administrative works.
- The birth of Internet and online social networking sites tremendously decreased the costs of business operations.
- Some firms shifted to outsourcing instead of hiring their own personnel due to the low costs associated with it.
- Because of the huge impact of technological innovations to enterprises, it is impossible for them to live with it.
- In small businesses, simple technological innovations help to improve product quality and product design, as well as reducing production costs.

- Entrepreneurs should be made aware of new technologies by attending trade exhibitions, contacting small business development agencies, and visiting other areas of their own country as well as neighboring countries to gain ideas regarding technologies which would be appropriate to their local conditions.
- In some countries, government agencies, business associations or NGOs offer specialized services to women entrepreneurs to overcome difficulties in accessing new technology, since this has been identified as one of the major barriers to women entrepreneurship.
- Technology is constantly changing the demands of consumers.
- Businesses use new technologies to produce new products and services.
- Entrepreneurs should realize that new technological developments such as the internet and cell phones increase the exchange of information and may have an effect on the operations of their business.

#### Advantages of Technology to Business:

- Customer Relations.
- Business Operations. With the use of technological innovations, business owners and entrepreneurs understand their cash flow better, how to manage their storage costs well and enables you to save time and money.
- Corporate Culture. Technology lets employees communicate and interact with other employees in other countries.
- Security. Modern security equipment enables companies to protect their financial data, confidential business information and decisions.
- Research Opportunities. It provides a location to conduct studies to keep themselves ahead of competitors.
- Corporate Reports. With technology, business enterprises communicate effectively with their branch offices to deliver quality financial and operational reports.
- Business mobility. Technological innovations improved companies' sales, services, shortened lead time on receiving and delivering goods and services.

- **Flexible Work Environments:** Technology gives small business owners and their employees the option to work in the office, from home, on the road and even from across the country.
- **Employee Training:** As small businesses implement new technologies into their processes, they are tasked with providing training to new and expert employees.

### Characteristics of Appropriate Technologies

- The appropriateness of technology for use in a small business is determined by a number of characteristics. These are:
  - ✓ **simple:**
  - ✓ **Effectiveness:** Effectiveness of technology is judged by how well it fits in with the objectives of the user.
  - ✓ **Availability:** Some technology may be appropriate for certain purposes but not available locally.
  - ✓ **Flexibility:** As time changes so do the requirements of technology. Appropriate technology must be flexible enough to adapt to changing times in the future.
  - ✓ **Durable:** Technology that is durable requires less maintenance and repairs.
  - ✓ **Efficient:** Technology should be efficient in its utilization of local resources.
  - ✓ **Cost effective:** The cost of technology should be justified by the benefits achieved. The overall benefits should be greater than the cost of the technology.

Self-Check -6	Written Test
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**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided.(2pts each)

- Which of the following is the Advantages of Technology of Business?
  - Customer Relations. C. Employee Training
  - Business Operations D. all
- The appropriateness of technology for use in a small business is determined by
  - Simple B. Effectiveness C. Availability D. All
- Which one is the impact of Technology on business
  - Simple B. Effectiveness C. Availability D. affects corporate efficiency, culture and relationship among employees, clients, suppliers and customers
- Technology is constantly changing the demands of consumers.
  - True B. False
- Businesses use new technologies to produce new products and services
  - True B. False

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

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

### Answer Sheet

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

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

### Short Answer Questions

1. .... 2. .... 3..... 4..... 5.....

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

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

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## Information Sheet-7

## Assessing practicability of business opportunity in line with perceived business risks

### 7.1 Business opportunity in line with perceived business risks

They study the market situation explore profitability in alternative lines of business products machinery & processes finance & make comparisons before making their final decision. They like to influence the outcome through their own efforts & then having a sense of accomplishment. Planning may be considered an indicator of the calculated risk taking behavior of entrepreneurs.

Risk taking behavior is related to;

- Creativity & innovation & it are an essential part of turning ideas in to reality.
- Self confidence, another factor is the entrepreneurial excitement regarding uncertainty & the drive & enthusiasm to ensure that the consequences are successful.

The risk taking ability of entrepreneurs is enhanced by;

- Their willingness to use their ability to the fullest extent to move the odds in their favour
- Their capacity to assess the risk situation realistically & their ability to alter the odds
- Looking at the risk situation in terms of established goals &
- Comprehensive planning & proper implementation.

### 7.2 Analyzing a risk situation

Although risk taking is a style of behavior calculated risk taking is a skill that can be improved. Here are suggested procedures for analyzing a risk situation.

1. Assess the risk
2. Determine goals & objectives
3. Clarify the alternatives
4. Gather information & weigh the alternatives

### 7.3 Business risk

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Most entrepreneurs take calculated & moderate risk. Business risks May include:

- Occupational health and safety : Risk due to An safe working environment
- Environmental risks : Risk due to natural conditions
- Security of investment: Risk due to lack of finances/ capital
- Market competition: The availability of similar business
- Security of premises/location
- Supply and demand
- Resources available

#### 7.4 Defining a risk situation

A risk situation occurs when a choice is required between two or more alternative whose potential outcomes are not known & must be subjectively evaluated.

Risk takers make decisions in conditions of uncertainty & they balance potential success against potential loss. Choosing a risky alternative depends on;

- a) How attractive the alternative is
- b) The extent to which the risk taker is prepared to accept the potential loss
- c) The relative probabilities of success & failure &
- d) The degrees to which one's own efforts increase the likelihood of success & decrease the likelihood of failure.

Risk taking is especially important in delegating authority & responsibility to staff & allowing others to share power. This is a characteristic of growth oriented entrepreneurs. Promoting the decision & gaining the support of other will help to make the decision succeed.

### Self-Check -7

### Written Test

**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided.

1. One is suggested procedures for analyzing a risk situation(4pts)

- A. Assess the risk
- B. Determine goals & objectives
- C. Clarify the alternatives
- D. Gather information & weigh the alternatives
- E. All

2. Risk alternative depends on (4pts)

- A. How attractive the alternative is
- B. Determine goals & objectives
- C. Clarify the alternatives
- D. Gather information & weigh the alternatives

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

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

### Answer Sheet

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

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

### Short Answer Questions

1.....

2.....

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

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

<b>Information Sheet-8</b>	<b>Revising business plan in accordance with the identified opportunities</b>
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## 8.1 Revise your business plan

Business plans are living documents. Make sure that they evolve with your company are reflect the business you are running by revising when your company meets these six milestones.

- You want to refinance or fundraise
- You launch a new product or service
- You expand into new markets
- Your competitors have changed
- You change suppliers or technologies
- Your customer change

Update your business plan thoroughly at least once a year. You can start with an old plan and revise, but make sure you are taking a fresh look distance yourself from the trees and look at the forest. Talk to your customers and potential customers review your value positions.



<b>Instruction Sheet</b>	<b>Learning Guide 11: Plan for the establishment of business operation</b>
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This learning guide is developed to provide you the necessary information regarding the following Plan for establishment of business operation and topics.

- Determining and document organizational structures and operations
- Securing financial backing for business operation
- Identifying and compiling business legal and regulatory requirements
- Determining Human and physical resources

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

- Determine and document organizational structures and operations
- Secure financial backing for business operation
- Identify and compile Business legal and regulatory requirements
- determine Human and physical resources
- Develop recruitment and procurement strategies

### Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below 3 to 5.
3. Read the information written in the information “Sheet 1, Sheet 2, Sheet 3 , Sheet 4”.& sheet 5
4. Accomplish the “Self-check 1, Self-check t 2, Self-check 3 Self-check 4” and self check 5 respectively.
5. If you earned a satisfactory evaluation from the “Self-check”1 proceed to “ learning guide 12.

<b>Information Sheet-1</b>	<b>Determine and document business structures and operations</b>
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## 1.1 Organizational Structure and Operations

An organizational structure defines how activities such as task allocation, coordination and supervision are directed toward the achievement of organizational goals. Organizations need to be efficient, flexible, innovative and caring in order to achieve a sustainable competitive advantage. New small businesses grow with the commitment and diversification of the product/service reacting and adapting as needed.

A small-business owner seeks a formal organizational structure to serve as a framework for growth. Organizational structures fix the scope of jobs, group operational activities together in some fashion and provide for superior-subordinate and peer relationships. Decisions leading to the best structure for a particular business weigh the company's circumstances, aspirations and character. Operation is one of the aspects considered by a small-business owner who is creating an organizational structure. Factors to consider in creating organizational structure are:

### 1. Specialization

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

### 2. Departmentalization

Jobs are grouped together to best perform operations. It's often practical to departmentalize jobs by similarity. Grouping jobs together according to functions such as manufacturing allows for resource sharing and increased efficiency. Instead of choosing such a functional structure, creative businesses such as marketing firms might

group people into teams featuring a mix of functional experts who contribute to the success of client projects.

### 3. Operational Goals

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

### 4. Range

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

### 5. Technology

The technology used in operations may become a deciding factor in creating departments. Phases in a manufacturing process might dictate separate departments if the technologies used in the different phases require different locations and skills. Today's communication technologies allow small businesses to improve their operation and diversify their market. This allows a small business to easily expand or contract operations as needed.

## 1.2 Procedures to guide operations.

The purpose of developing procedures generally is to serve as guiding material. In addition, an important purpose of procedures is to ensure consistency. Procedures are designed to help reduce variation within a given process.

Clearly stating the purpose for your procedure helps you gain employee cooperation or compliance and it instills in your employees a sense of direction and urgency.

Business Procedure is a particular way of accomplishing something in an established way of doing things in a series of steps followed in a definite regular order to ensure consistent results. The number-one rule of writing a procedure is to make sure that there is a reason to create them. Perhaps people forget to take certain actions and keep on getting things wrong or perhaps tasks are so long and complex that people need a checklist if they're going to get things right. A written procedure is necessary if the issue is important or if there will be a significant benefit from clarifying a process. Before you begin, ask yourself if people really need or want to know about something. Procedures are developed and documented to guide operation as a manual. Some of the manuals include financial manual, operational manual, production manual, purchasing manual and other manuals to be adopted from the government should be developed.

- **Financial manual:** It helps to establish financial controls within the organization that ensures accuracy, timeliness and completeness of financial data.
- **Operational manual:** the document provides the framework upon which employees all base their approach to performing their duties.
- **Production manual:** is a manual that indicates the steps of production to be followed.
- **Purchasing manual:** is a guide book to show how the firm acquires its goods and services of all kinds. Its purpose is to educate both employees and vendors in how to buy and sell a firm's product/service.

Self-Check -1	Written Test
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**Directions:** Give short answer for the following questions and write your answer on the space provided.

1. What are the factors to consider in creating organizational structure?(4pts)
2. Define organizational structure? (2pts)
3. Define business Procedure? (2pts)
4. What is the purpose of Purchasing manual? (2pts)

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

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

### Answer Sheet

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

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

### Short Answer Questions

1. ....  
.....
2. ....  
.....
3. ....  
.....
4. ....  
.....

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

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

## Securing financial backing for business operation

Starting and running a business requires finance. Business persons identify various sources of finance including:

- personal saving,
- loan,
- sell of stock,
- contribution of partners,
- government support and family support,

Financing is an issue for almost every business. For large businesses with a corporate structure, financing is usually easier. The main types of financing are debt and equity. How much do you need to start and where will it come from? Some of the more common forms of personal financial resources are:

- Saving
- Home equity
- Owner cash
- Credit
- Retirements plan
- Borrowing bank

**Grants:** If you searching for a government grant or no interest loan to start a business,

**Loans:** Lenders expects you to have “skin in the game” and be able to put up 20-30 %of the total start up cost either as cash or equity investment.

**Character:** lenders expects you to have “skin in the game” and be able to put Lenders are looking for reliable borrowers who have demonstrated responsibility and have a high credit score.

**Collateral:** Bank or any collateral agreement.

Self-Check -2	Written Test
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**Directions:** Give short answer for the following questions and write your answer on the space provided.

1. What is the main types of financing?(4pts)
2. What are common forms of personal financial resources? (4pts)

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

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

### Answer Sheet

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

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

### Short Answer Questions

- 1.....  
.....
- 2.....  
.....

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

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

Information Sheet-3	Identifying Business Legal and Regulatory Requirement
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### 3.1 Business legal and regulatory issues

There are various legal issues to think about when it comes to starting and/or running an existing business. Everything from your business name to its structure to its operation has legal implications. The following include legal issues to consider in business.

**Business Structure:** you will need to decide which business structure suits your business. The focus here is on legal business structure. The principal forms of business organization discussed here are as follows:

1. Sole proprietorship (SP),
2. General partnership (GP),
3. Limited partnership (LP),
4. Limited liability partnership (LLP),
5. C corporation (CC),
6. S corporation (SC),
7. Limited liability company (LLC) and
8. Cooperative corporations (co-op).

**1. Sole Proprietor**– The easiest way to form a business is as a sole proprietor. The business owner and the business are essentially the same.

**2. Partnership** – Partnerships are used when more than one person is involved in the ownership of the business. The partners share in income and expenses based on their percentage of ownership share in the partnership.

**3. Sub S Corporation**– A Sub S Corporation is treated like a partnership for taxes, but creates a separate legal entity. It can protect the owner personally from suit or bankruptcy. The ownership is in the form of shares, so ownership can be transferred more easily.

**4. C Corporation–** A C Corporation is a standard corporation and most large businesses use this structure. C Corporations provide good liability protection for the owner(s); however a C Corporation is seen as a separate entity and is taxed as such.

**5. Limited Liability Company (LLC, PLLC) –** An LLC is the newest form of business ownership. It is a registered unincorporated entity. It gives the same legal protection as a corporation, but without as much of the reporting and taxing requirements. Legal protection for the owners is only effective if there is no mixing of personal and corporate money and assets.

### 3.2 Factors of Selection

There are six key factors organizers of a new business should consider when selecting a legal business structure. They are:

- Liability obligation of the individual owners,
- Income tax obligation of the business and its individual owners,
- legal filing formalities,
- Financing and liquidity of equity investments,
- Management flexibility

To decide what form is best, you will need to consider liability issues associated with your business and which form will provide the best tax structure for your business.

**Business Licenses:** depending on what type of business you plan to engage in, you may need a variety of licenses or permits. At a minimum, you will need a business license and tax registration.

**Non-Disclosure Agreements:** if you will be setting up financing for your business or entering into contracts with suppliers, you should consider confidentiality and non-disclosure agreements.

### 3.3 Regulatory issues and procedures in small businesses:

The following is detailed summary of the bureaucratic and legal hurdles an entrepreneur must overcome in order to incorporate and register a new firm along with their

associated time and set-up costs. It examines the procedures time and cost involved in launching a small business. The regulatory procedures includes:

### **Check the company name for uniqueness**

Checking for the uniqueness of the company name is mandatory according to Commercial Law of Ethiopia Article 19 of the Proclamation 67/1997. The search is conducted at the Ministry of Trade. The party completes a simple form and hands it over to the agent. A Letter of Recommendation (LR) will be given by the agent and must be attached to the Memorandum and Articles of Association for authentication.

The following names are rejected:

1. Same name in the same field are not accepted.
2. Names which are antagonistic to moral issues.

Names advertising like “fastest way to transfer money” “Best services in town” such adjectives are not accepted.

1. Authentication of the company documents at the office of registration of Acts and documents According to Commercial Law of Ethiopia, Proclamation 334/2003, Article 5, the Memorandum and Articles of Associations must be authenticated. The party will deposit the documents and will be given an appointment for the next day. Payment of stamp duty is done in the same office where the documents are being registered in the books prior to its authentication. All partners are required to sign in front of the public Notary
2. Register the company document at the Commercial Register and obtain the Trade license

The applicants register the Memorandum and Articles of Association and request a trade license. After reviewing the documents, including the lease agreement, the Commercial register delivers a registration certificate and the appropriate license. Companies are encouraged to register to the Regional Trade Bureau closest to their business. These bureaus have the power to issue the registration and license to newly registered businesses. Payment is done at the same time.

3. Register with Ethiopian Inland Revenue Authority and Customs for income tax, Turn over Tax (TOT) and Value Added Tax (VAT).

A newly established firm must register for income tax, payable at the end of the company's fiscal year, and pay municipal and license renewal fees and withholding taxes on their employees. Once registered, the Tax Identification Number (TIN) is provided along with the VAT certificate

### 3.4 Identifying Business Legal and Regulatory Requirement

## Business Legal and Regulatory Procedures

Listed below is a detailed summary of the bureaucratic and legal difficulty an entrepreneur must overcome in order to incorporate and register a new firm, along with their associated time and set-up costs.

It examines the procedures, time and cost involved in launching a commercial or industrial firm with up to 50 employees

The procedures are:

- **Check the company name for uniqueness**

Checking for the uniqueness of the company name is mandatory according to Article 19 of the Proclamation 67/1997.

The search is conducted at the Ministry of Trade and Industry. The party completes a simple form and hands it over to the agent.

A Letter of Recommendation (LR) will be given by the agent and must be attached to the Memorandum and Articles of Association for authentication.

The following names are rejected:

- Same name in the same field are not accepted.
- Names which are antagonistic to moral issues.

Names advertising like “fastest way to transfer money” “Best services in town” such adjectives are not accepted.

Self-Check -3	Written Test
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**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided.(2pts each)

- The easiest way to form a business is
  - Sole proprietorship (SP),
  - General partnership (GP),
  - Limited partnership (LP),
  - Limited liability partnership (LLP),
- Key factors organizers of a new business should consider when selecting a legal business structure are:
  - Liability obligation of the individual owners,
  - Income tax obligation of the business and its individual owners,
  - Financing and liquidity of equity investments,
  - All

### Answer Sheet

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

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

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

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

### Multiple choice

- .....
- .....

**Note: Satisfactory rating – 2 point Unsatisfactory - below 2 points**

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

## Information Sheet-4

## Determining human and physical resources

### 4.1 Human and physical resources needed to start a business

Human resource planning is a process of forecasting an organization's future demand for, and supply of, the right type of people in the right number. It includes the estimation of how many qualified people are necessary to carry out the assigned activities, how many people will be available, and what, if anything, must be done to ensure that personal supply equals personnel demand at the appropriate point in the future. Basically it's the process by which an organization ensures that it has the right number and kind of people at the right place and in the right time. who are capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives.

Human resource planning helps a business in

1. Future personnel needs: refers to the checking the surplus or deficiency in man power availability both at administrative level and operational level.
2. Coping with change: enables an enterprise to cope with changes in competitive forces, markets, technology, products and government.
3. Creating highly talented personnel: human resource manager must use his/her skill to attract and retain qualified and skilled personnel.
4. Protection of weaker section: physically handicapped, children of the socially disabled and physically oppressed and backward class of citizens.
5. International Strategies: starting a business can seem like a daunting task

In addition to a strong business plan, there are five resources that contribute to the success of a new enterprise.

#### 1. Financial resources:

- The most important element in starting a business is funding.
- Business acquires a large amount of start up costs, including registering a business name, obtaining a business telephone line and printing business cards.
- Financial resources can be obtained from a variety of sources, the easiest being from the personal accounts of the founder.

- ## 2. Human resources:

- ### 3. Educational resources:

- #### 4. Physical resources:

- ## 5. Informational resources:

- |                |   |  |                |
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Self-Check -4	Written Test
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**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided. (2pts each)

- Human resource planning helps a business in
  - Future personnel needs
  - Coping with change
  - Creating highly talented personnel
  - All
- Which one of the following is **not** physical resource?
  - proper workspace
  - working telephone line
  - machinery
  - Worker

### Answer Sheet

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

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

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

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

### Multiple choices

- .....
- .....

**Note: Satisfactory rating – 2 point Unsatisfactory - below 2 points**

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

## Information Sheet-5

## Developing recruitment and procurement strategies

### 5.1 Developing and implementing recruitment strategies

Recruitment strategy connects all important recruitment components and human resource components as a firm realizes its strategic goals. The recruitment strategy defines the unique mix of:

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

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

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

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

Recruitment brings together those with jobs to fill and those seeking jobs. It is a process of finding and attracting capable applicants for employment. The process begins when new recruits are sought and ends when their applications are submitted. The result is a pool of applicants from which new employees are selected. Recruitment of candidates is the function preceding the selection which helps create a pool of prospective employees for the organization so that the management can select the right candidate

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

### 5.3 Purpose and Importance of Recruitment

The purpose and Importance of Recruitment are

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

### 5.4 Recruitment Process

A general recruitment process is as follows: Planning, Strategy Development, Searching, Screening and Evaluation and Control

#### 5.4.1 Recruitment Planning:

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

#### **5.4.2 Strategy Development**

Make or buy employees:

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

#### **5.4.3 Searching**

Searching includes

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

#### **5.4.4 Screening**

The purpose of screening is to remove from the recruitment process at an early stage, those applicants who are visibly unqualified for the job. Effective screening can save a great deal of time and money care must be exercised to assure that potentially good employees are not lost Evaluation and Control. It is necessary as considerable costs are incurred In the recruitment process. Statistical information should be gathered and evaluated to know the suitability of the recruitment process.

### **5.5 Sources of Recruitment**

Place where qualified individuals are found

- Internal
- External
- Transfers
- Job advertisements



### Self-Check -5

### Written Test

**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided. (2pts each)

1. The recruitment strategy defines the unique mix of:
  - A. A. Position of the organization on the job market
  - B. Recruitment channels to be used for attracting candidates
  - C. Recruitment style of the organization
  - D. All
2. A general recruitment process includes?
  - A. Planning    B. Strategy Development    C. Searching    D. All
3. Which one is an advantage of internal recruitment?
  - A. Less costly    B. Lack of new blood or can produce organizational inbreeding
  - C. Departments can —raid other departments for best employees
  - D. Leaves another internal vacancy
4. Which one is the disadvantage of external recruitment?
  - A. Brings in new ideas    B. Helps organization get needed competencies
  - C. larger field of candidates    D. May negatively impact morale and cohesion

### Answer Sheet

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

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

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

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

### Multiple choices

1. ....
2. ....
3. ....
4. ....

**Note: Satisfactory rating – 2 point Unsatisfactory - below 2 points**

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

<b>Instruction Sheet</b>	<b>Learning Guide 12: Implement business development plan</b>
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This learning guide is developed to provide you the necessary information regarding the following Implement Business Development Plan and topics.

- Obtaining physical and human resources to implement business operation.
- Establishing operational unit to support and coordinate business operation.
- Discussing and understanding simulations on the development plan.
- Discussing and understanding implementation manual.
- Undertaking marketing business operation
- Developing and implementing monitoring process.
- Maintaining legal documents
- Keeping and updating relevant records.
- .Negotiating and securing contractual procurement rights for goods and service
- Identifying options for leasing/ownership of business premises.
- Completing contractual arrangements.

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

- Physical and human resources are obtained to implement business operation.
- Operational unit is established to support and coordinate business operation.
- Simulations on the development plan are well discussed and understood.
- Implementation manual is discussed and understood.
- Marketing the business operation is undertaken.
- Monitoring process is developed and implemented for managing operation.
- Legal documents are carefully maintained and relevant records kept and updated to ensure validity and accessibility.
- Contractual procurement rights for goods and services including contracts with relevant people are negotiated and secured as required in accordance with the business plan.

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- Options for leasing/ownership of business premises are identified and contractual arrangements completed in accordance with the business plan

### Learning Instructions:

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below 3 to 5.
3. Read the information written in the information “Sheet 1, Sheet 2, Sheet 3 , Sheet 4” sheet 5 ,6,7,8 &9
4. Accomplish the “Self-check 1, Self-check t 2, Self-check 3 Self-check 4” self check 5, 6, 7, 8 and 9 respectively.
5. If you earned a satisfactory evaluation from the “Self-check”1 proceed to“ learning guide 13.

Information Sheet-1	Obtaining physical and human resources to implement business operation
---------------------	--

### 1.1 Implementation of human and physical resource

Human resource planning is a process of forecasting an organization's future demand for and supply of the right type of people in the right number by keeping in mind the current scene. It ensures at what time and in what number different categories of employees will be needed by the organization in future. As a result, neither the work of the organization will suffer for want of employees nor will there be unnecessary rise in costs due to surplus employees. Human resource planning is influenced by:

- **External factors:** refers to competition, laws and regulation, economic climate, change in technology and social factors.
- **Internal factors:** refers to budget constraints, production levels, new products and services, organizational structure and employee separations.

Human resource plan implementation follows the recruitment, selection and placement, training and development, re-training and re-deployment and retention plan

### 1.2 Features of physical resources

Every business needs resources whether it's people, money, suppliers, or time. The physical resources include tangible items that are necessary and available for a business to function. These are items that take space, have a value, and are used in the operation of the company. Physical resources are necessary for all types of business. Product-based businesses use physical resources for providing the goods for sale and for the operation of the business. Service-based businesses use physical resources to facilitate the delivery of the service such as having a space to work, tools that are needed for the service and resources used to support the service.

- **Materials** are raw goods that will be used in the production of other products.
- **Buildings and Facilities:** The physical building you work in is a part of the physical resources of a company. Whether the space is owned or rented, it is used for the purpose of operating your business. By having this space available,

you are able to complete your work. There are some occasions when the building and facilities are the revenue generators of the business. For instance, if you own a conference centre and rent space for events and meetings, the building and facility is a physical resource that also earns income. The physical space may include a parking lot.

- **Machinery and Supplies:** Machinery can be costly for most companies. A manufacturing or production company will require substantial types of machinery. Huge machines, interlinked and taking up an enormous amount of space. On the other hand, an online business that offers education and information does not need much equipment beyond computer hardware and basic office machines, like photo copiers, phones, etc. Without machinery, your business would be virtually impossible to operate.
- **Human Resources:** Human resources are the most important business asset after the financial aspects. It concerns the hiring of individuals who have the necessary skills to help a business progress. It also includes evaluations of the current workforce in order to see whether extra recruitment is needed in certain areas and the viability of internal and external recruitment.
- **Intangible Resources:** Intangible resources are sometimes seen as the least important business resource, because they aren't absolutely vital in the way financial, human and physical resources are to the success of a business. However, any business that tries to operate without applying intangible resources as part of its strategy will find expansion and growth much harder to achieve. Intangible resources include the reputation of the business (for example, its record of meeting its obligations on time), the strength and recognizable aspect of its brand and its intellectual property rights (for example, the patents and trademarks that protect its image and its products).



Information Sheet-2	Establishing operational unit to support and coordinate business operation
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## 2.1 Operational unit to support and coordinate business operation

Business operations are first and foremost an oversight functions that ensure all internal operating groups integrated into the same business plan with well defined roles and responsibilities, Functioning together as one unit ensures operational integrity relative to opportunity development, risk management, resource management and allocation of resources. Operation requires effective communication between functional departments participatory business planning and development of strategy to operate within the parameters of an integrated budge adhering to all financial practices.

## 2.1 Typical business organization departments and functions

A typical business organization may consist of the following main departments or functions: production, Research and Development (R&D), Purchasing, Marketing (including the selling function), Human Resource Management, Accounting and Finance.

<b>Self-Check -2</b>	<b>Written Test</b>
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**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided.

1. A typical business organization may consist of the following main departments or functions (4pts)
  - A. production
  - B. Research and Development (R&D),
  - C. Purchasing, Marketing (including the selling function)
  - D. Human Resource Management, Accounting and Finance.
  - E. All

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

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

### Answer Sheet

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

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

### Multiple Choice

1. ....

**Note: Satisfactory rating - 2 point Unsatisfactory - below 2 points**

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

### Information Sheet-3

## Discussing and understanding simulations on the development plan

### 3.1 Simulation on Development Plan

A development plan is a strategic plan of the organization. It refers to institutional development plan in terms of capacity of physical facilities and manpower to achieve long term objectives of the organization and thence actualize the vision.

### Self-Check -3

### Written Test

**Directions:** Give short answer for the following questions and write your answer on the answer sheet

1. Explain development plan briefly? (4pts)

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

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

### Answer Sheet

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

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

### Short Answer Questions

1. ....

**Note:** Satisfactory rating - 2 point Unsatisfactory - below 2 points

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

## Information Sheet-4

## Discussing and understanding implementation manual

### 4.1 Implementation Manual

An implementation manual should be prepared for each functional unit of the organization to facilitate tailor-made operation throughout the organization. The manual consists of steps and procedures of performing a task and description of duties and responsibilities of personnel accomplishing the tasks.

<b>Self-Check -4</b>	<b>Written Test</b>
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**Directions:** Give short answer for the following questions and write your answer on the answer sheet

1. Define implementation manual? (4pts)

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

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

### Answer Sheet

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

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

### Short Answer Questions

1. ....

**Note: Satisfactory rating - 2 point Unsatisfactory - below 2 points**

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

## Information Sheet-5

## Undertaking marketing business operation

### 5.1 Marketing business operation

Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, services to create exchanges that satisfy individual and organizational goals.

The Five Key Steps of the Marketing Process

#### 1. Targeting Consumer Wants

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

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

After finding a profitable niche, a unique strategy must be established to market to the intended target customers. This step of the marketing process is essential. Market segment analysis is often done to break down the population into smaller groups so the target customers can be found.

#### 3. Creating Consumer Value

The next step of the marketing process is finding a way to create a product that offers consumers value for their money; it is called value proposition. In this step, the four P's of marketing are considered. The first "P" is the product itself; it needs to be something society wants. Additionally, it must be well made and fill a gap in the market. The next "P" in this step of the marketing process is the price of the good or service. Researchers must conduct surveys to establish a price that consumers will pay without feeling ripped off or cheated. Place is the next —"P" that plays a role in marketing. The location where the business operates should be accessible to consumers.

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

## 4Cs

- Product
- Price
- Promotion
- Place
- Customer solution
- Customer cost
- Communication
- Convenience

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

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

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

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

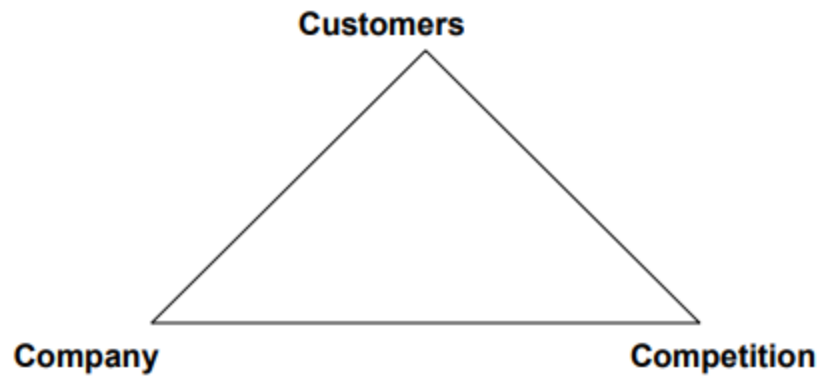


Figure 1. The marketing triangle

A customer is anyone who is in the market looking for a product / service for that satisfies a want or a need. Value - the value or benefits the customers gain from using the product versus the cost of obtaining the product. Satisfaction - Based on a comparison of performance and expectations. As a priority, businesses must bring to their customers “what they need

The 4 Steps of a Successful Marketing Process Whether you're working on a high-level marketing plan or the details of a particular marketing campaign, there are four steps that you need to follow if you want the marketing process to be successful. Of course, the real starting point of the marketing process is always the overall business goals. Once your business goals are defined, here are the four steps of a successful marketing process:

1. **Discovery.** What's going on in your marketplace? What are the best target markets for your product or service? Where are your current customers located? What are your competitors doing? Discovery is all about doing your research and performing a detailed market, customer and competitive analysis.
  
2. **Strategy.** All of the information you gather in step #1 is then used to help make your decisions as you create your marketing plans. How will you go to market? What is your overall marketing strategy and what are your individual campaign

strategies? Before you move forward you'll need to clearly define goals and objectives and determine the appropriate marketing channels.

3. **Implementation.** Implementation is where you put your targeted, cost effective marketing campaigns into action. Before you implement, you need to be sure that you have all of the pieces in place. Do you have the resources to complete the implementation in-house, or do you need to bring in third-party vendors to get the job done? Have you thought of all of the information you need to collect from respondents in order to allow for back-end campaign metrics, and put systems in place to ensure this data is captured? Is everyone in the company aware of the campaign?
4. **Measurement.** The measurement phase of the marketing process is where you take a close look at the results of the campaign in order to refine your strategies before moving forward. Measuring results enables you to make intelligent decisions regarding how to allocate resources for the next move.

## Self-Check -5

## Written Test

**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided. (2 pts each)

1. ----- is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, services to create exchanges that satisfy individual and organizational goals.
  - A. Marketing    B. production    C. planning    D. Selling
2. Which one is key steps of the marketing process
  - A. Targeting Consumer Wants    B. Establishing a Consumer-Driven Sales Strategy    C. Creating Consumer Value    D. All
3. The marketing activities of businesses revolve around the following core concepts of marketing:
  - A. Needs, wants, desire/demand
  - B. Products, utility, values and satisfaction
  - C. Exchange, transaction, and relationships    D. All

## Answer Sheet

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

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

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

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

## Multiple choices

1. ....
2. ....
3. ....

**Note: Satisfactory rating – 3 point Unsatisfactory - below 3 points**

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

## Information Sheet-6

## Developing and implementing monitoring process

### 6.1 Monitoring process

The implementation of the marketing process need to be monitored and evaluated periodically to check whether the expected outcome is achieved as planned.

<b>Self-Check -6</b>	<b>Written Test</b>
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**Directions:** Give short answer for the following questions and write your answer on the answer sheet

1. How do you monitor implementation of the marketing process? (4pts)

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

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

### Answer Sheet

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

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

### Short Answer Questions

1.....

**Note: Satisfactory rating - 2 point Unsatisfactory - below 2 points**

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

## Information Sheet-7

## Maintaining legal documents

### 7.1 Legal Documents and Records

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

#### 1. Partnership Agreement

If you plan go into business with a business partner, a written partnership agreement is important. If you and your partners don't spell out your rights and responsibilities in a written business partnership agreement, you'll be ill-equipped to settle conflicts when they arise, and minor misunderstandings may erupt into full-blown disputes. How a partnership agreement helps your business. A partnership agreement allows you to structure your relationship with your partners in a way that suits your business. You and your partners can establish the shares of profits (or losses) each partner will take, the responsibilities of each partner, what will happen to the business if a partner leaves, and other important guidelines are contained

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

- Name of the partnership. One of the first things you must do is agree on a name for your partnership.
- Contributions to the partnership. It's critical that you and your partners work out and record who's going to contribute cash, property, or services to the business before it opens and what ownership percentage each partner will have. Disagreements over contributions have terminated many promising businesses.
- Allocation of profits, losses, and draws. Will profits and losses be allocated in proportion to a partner's percentage interest in the business? And will each partner be entitled to a regular draw (a withdrawal of allocated profits from the business) or will all profits be distributed at the end of each year? You and your

partners may have different ideas about how the money should be divided up and distributed, and each of you will have different financial needs, so this is an area to which you should pay particular attention.

- **Partner's authority.** Without an agreement to the contrary, any partner can bind the partnership without the consent of the other partners. If you want one or all of the partners to obtain the others' consent before binding the partnership, you must make this clear in your partnership agreement.
- **Partnership decision-making.** Although there's no magic formula or language for dividing up decisions among partners, you'll head off a lot of trouble if you try to work it out before-hand. You may, for example, want to require a unanimous vote of all the partners for every business decision. If that seems like more than will be necessary, you can require a unanimous vote for major decisions and allow individual partners to make minor decisions on their own. In that case, your partnership agreement will have to describe what constitutes a major or minor decision. You should carefully think through issues like these when setting up the decision-making process for your business.
- **Management duties.** You might not want to make ironclad rules about every management detail, but you'd be wise to work out some guidelines in advance. For example, who will keep the books? Who will deal with customers? Supervise employees? Negotiate with suppliers? Think through the management needs of your partnership and be sure you've got everything covered.
- **Admitting new partners.** Eventually, you may want to expand the business and bring in new partners. Agreeing on a procedure for admitting new partners will make your lives a lot easier when this issue comes up.
- **Withdrawal of a partner.** At least as important as the rules for admitting new partners to the business are the rules for handling the departure of an owner. You should therefore set up a reasonable buyout scheme in your partnership agreement to deal with this eventuality.
- **Resolving disputes.** If you and your partners become deadlocked on an issue, do you want to go straight to court? It might benefit everyone involved if your

partnership agreement provides for alternative dispute resolution, such as mediation or arbitration.

## **2. Constitutional documents**

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

## **3. Statutory books for companies**

Company registry (under corporate legislation) must be kept at the registered office of a firm, including register of directors and secretaries, register of directors' interests, and register of shareholders.

## **4. Certificate of incorporation**

A certificate of incorporation is a legal document relating to the formation of a company or corporation. It is a license to form a corporation issued by state government.

The certificate of incorporation must include the name of the corporation (this name must contain a corporate ending such as "Company," "Corporation," "Incorporated, or PLC") a statement of business purpose; the address of the corporation's registered office and the name of the registered agent at such address; a statement of the total number of shares of stock authorized to be issued and a description of the different classes of stock.

## **5. Franchise Agreement**

The franchise agreement is a legally binding agreement which outlines the franchisor's terms and conditions for the franchisee. It also outlines the obligations of the franchisor and the obligations of the franchisee. The franchise agreement is signed at the time an individual makes the decision to enter the franchise system.

There are three general requirements for a license to be considered a franchise:

1. The franchisee's business is substantially associated with the franchisor's brand.

In franchising, the franchisor and each of its franchisees are sharing a common brand.

2. The franchisor exercises controls or provides significant assistance to the franchisee in how they use the franchisor's brand in conducting their business. Since the franchisee is an independent contractor and not a joint employer, generally those controls are over brand standards and do not extend to the human resources of the franchisee, nor do they extend to how the franchisee manages their business – subject to meeting the requirements of the brand standards – on a day-to-day basis.
3. The franchisor receives from the franchisee a fee for the right to enter into the relationship and to operate their business using the franchisor's trademarks.

Basic Elements of Franchise Agreement The Franchise Agreement needs to deal with some basic elements including, but not limited to:

### 1. An Overview of the Relationship

The parties to the contract, the ownership of the intellectual property, the overall obligations of the franchisee to operate their business to brand standards, etc.

### 2. Duration of the Franchise Agreement

The term of the relationship, the franchisee's successor rights to enter into new agreements, the requirement to upgrade the franchisee's location, etc.

### 3. Initial and Continuing Fees

Franchisees generally pay an initial and continuing fee to the franchisor for entering into the system and remaining a franchisee. There are also other fees that are included in most agreements. Most franchise systems also provide for a payment to an Advertising or Brand Fund that is used by the franchisor to market the brand to the public and for other contractually defined purposes.

### 4. Assigned Territory

Not every franchise agreement grants a franchisee an exclusive or even a protected territory and how a territory is established must be defined. Franchisors also need to deal with reservation of their rights within a franchisee's territory, including alternative distribution sites, sales over the Internet etc.

### 5. Site Selection and Development

Franchisees generally find their own sites and develop them according to the franchisor's standards. The role of the franchisor is generally to approve the

location found by the franchisee and then approve, prior to opening, that the franchisee has built their location to meet design and other brand standards.

## 6. Initial and Ongoing Training and Support

Franchisors generally provide a host of pre-opening and continuing support including training, field and headquarters support, supply chain, quality control, etc.

## 7. Use of the Intellectual Property including Trademarks, Patents, Manuals

As the intellectual property of every franchise system is its most valuable asset, some of which will change as the system evolves, the agreement defines what is licensed to the franchisee, how the franchisee can use the intellectual property, and the rights of the franchisor to evolve the system through changes to the franchisor's operating manual.

## 8. Advertising

The franchisor will reveal its advertising commitment and what fees franchisees are required to pay towards those costs.

## 9. Insurance Requirements.

Franchise agreements will define the minimum insurance a franchisee is required to have prior to opening and during the term of the agreement.

## 10. Record-Keeping and the Rights to Audit the Franchisee's Records.

The franchisor defines the records that it needs its franchisees to maintain in the agreement and in the operations manual, the software they are allowed to use, its rights to access that information including online through the internet, and its rights to audit that information from time to time.

**11. All the rest.** Some may call it boilerplate, but in well-developed agreements it is not. Among the myriad other issues contained in the Franchise and other agreement are the franchisee's successor rights, default, termination, indemnification, dispute resolution, resale rights, transfer rights, rights of first refusal, sources of supply, local advertising requirements, governing law, general releases, personal guarantees, roll-up provisions, etc. In developing a proper set of franchise agreements, each of the elements of the franchise need to be

evaluated and ratified. Prior to having the lawyers begin to draft the agreements, it is essential for the franchisor to first develop its business plan, with all the myriad of issues decided on. For most franchisors it is important that in addition to working with qualified franchise lawyers, they first work with experienced and qualified franchise consultants in crafting their franchise offering.

## 6. Financial documents

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

## 7. Appropriate software for financial records

Financial software or financial system software is special application software that records all the financial activities within a business organization. Basic features of this system not only include all the modules of accounting software like accounts payable, accounts receivable, ledger, reporting modules and payroll but also to explore alternative investment choices and calculate statistical relationships. Features of the system may vary depending on what type of business it is being used for. Primarily, the goal of the financial software is to record, categorize, analyze, compile, interpret and then present an accurate and updated financial data for every transaction of the business.

**8. Occupational Safety and Health:** Occupational safety and health (OSH) is a multidisciplinary field concerned with the safety, health, and welfare of people at work. The goals of occupational safety and health programs include fostering a safe and healthy work environment. OSH may also protect co-workers, family members, employers, customers, and many others who might be affected by the workplace environment. In common-law jurisdictions, employers have a common law duty to take reasonable care of the safety of their employees. Statute law may in addition impose other general duties, introduce specific duties, and create government bodies with powers to regulate workplace safety issues

Self-Check -7	Written Test
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**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided. (2 pts each)

- 1.----- is a legal document relating to the formation of a company or corporation
  - A. Certificate of incorporation
  - B. Statutory books for companies
  - C. Constitutional documents
  - D. Partnership Agreement
2. ----- is a multidisciplinary field concerned with the safety, health, and welfare of people at work.
  - A. Occupational Safety and Health
  - B. Statutory books for companies
  - C. Constitutional documents
  - D. Partnership Agreement
- 3.----- are used for reporting financial information about a business in a standardized format.
  - A. Financial documents
  - B. Occupational Safety and Health
  - C. Constitutional documents
  - D. financial records

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

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

### Answer sheet

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

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

### Multiple choices

1. .... 2..... 3.....

**Note: Satisfactory rating - 3 point Unsatisfactory - below 3 points**

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

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## Information Sheet-8

## Negotiating and securing contractual procurement rights for goods and service

### 8.1 Contractual procurement rights

A procurement contract is an agreement in which a buyer agrees to acquire goods or services from a seller in exchange for consideration. Most of these contracts are written agreements that specify each party's obligations in relation to the transaction. Generally, it includes business provisions, detailed price lists, payment information, and other legal terms and conditions applicable to the transaction.

### 8.2 Benefits of procurement contracts

Standardize contract processes: create quality contracts faster and reduce risk by implementing enterprise standards, policies that govern their use, and tools to allow flexible administration

- **Reduce time-to-contract:** cut negotiation-cycle time with a flexible workflow and revision process that makes legal and commercial terms immediately visible to selected parties.
- **Drive contract compliance:** track compliance and review the contract details throughout the entire contract lifecycle.

### 8.3 Stages of procurement

The stages of procurement include:

1. **Need identification:** The procurement process begins with the identification of a purchasing need.
2. **Pre-Solicitation:** the procurement professional determines the needed goods/services.
3. **Solicitation Preparation:** the procurement professional identifies stakeholders and critical business requirements, conducting market analysis and selects the best solicitation method to acquire the needed goods/services.
4. **Solicitation Process:** provides a brief overview of the sourcing tools used by the entities.

5. **Evaluation Process:** during the evaluation process, the issuing officer in conjunction with the evaluation committee (if any) will review and evaluate the suppliers' responses to determine which suppliers are responsive and responsible.
6. **Award Process:** begins once the state entity is ready to publicly announce the results of the evaluation process. Once the results of the evaluation process have been published, suppliers may review procurement documents.
7. **Contract Process:** the contract process begins once the state entity has finalized contract award.

## Self-Check -8

## Written Test

**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided. (2 pts each)

1. Which one is Stages of procurement
  - A. Need identification B. Pre-Solicitation C. Solicitation Preparation D. All
2. \_\_\_\_ the contract process begins once the state entity has finalized contract award.
  - A. Contract Process B. Pre-Solicitation C. Solicitation Preparation D. All
3. The procurement process begins with the identification of a purchasing need.
  - A. Need identification B. Pre-Solicitation C. Solicitation Preparation D. All

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

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

### Answer sheet

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

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

### Short Answer Questions

1. ....
2. ....
3. ....

**Note: Satisfactory rating - 3 point Unsatisfactory - below 3 points**

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

## Information Sheet-9

## Identifying options for leasing/ownership of business premises.

### 9.1 Leasing/ownership of business premises

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

### 9.2 Types of property leases

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

such leases, it is important that they fully understand what the contract defines as "gross revenue."

### 9.3 Advantages and disadvantages of leasing

The Small Business Administration (SBA) counsels small business owners to consider a variety of factors when weighing whether to lease or buy property. These considerations include:

- **Operating requirements:** if the business's operating requirements are expected to change significantly over the next several years, leasing would probably be preferable, since it allows businesses to move more easily.
- **Capital supply and capital needs:** leasing frees up a greater percentage of a small business's capital for other operating needs (advertising, production, equipment, payroll, etc.). If the business does not have a lot of extra cash on hand (and few small businesses do), then leasing may be the more sensible choice. This is probably the biggest reason why small companies lease.
- **Financing and payment flexibility:** It is generally easier to secure financing to lease rather than purchase a property. In addition, leases can be spread out over longer periods than loans and can be structured to compensate for cash flow variations.
- **Resale value:** Is the value of the property likely to increase? If so, how much? Many small business owners choose to purchase rather than lease
- **Equipment:** Many lease agreements include stipulations that provide lessees with increased flexibility in terms of upgrading and/or maintaining equipment.
- **Taxes:** Property owners enjoy tax benefits investment tax credits that are not open to tenants.
- **Business premises:** Most start-up businesses move into already existing facilities. Many small business owners who have built up profitable, established enterprises, however, often have more options when they decide that the time is right to move. Indeed, some choose to arrange a lease in a building or facility (office center, shopping center, or industrial park) that is still in its planning stages. The savvy small business owner will consider the potential benefits and

drawbacks of both choices before deciding. Rental rates, maintenance and escalation costs, utilities and building features are fixed or relatively non negotiable.

## Self-Check -9

## Written Test

**Directions:** Choose the best answer for the questions given below and write your answer in the worksheet provided. (4 pts each)

1. Which one is the types of property leases
  - A. Full service lease B. Gross lease C. Net lease D. All
2. Small business owners to consider a variety of factors when weighing whether to lease or buy property. These considerations include:
  - A. Operating requirements B. Capital supply and capital needs
  - C. Financing and payment flexibility D. All

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

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

## Answer sheet

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

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

## Short Answer Questions

1. ....
2. ....

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

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

<b>Instruction Sheet</b>	<b>Learning Guide #13: Review implementation process and take corrective measures</b>
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This learning guide is developed to provide you the necessary information regarding the following Review implementation process and take corrective measures operation and topics.

- Developing and implementing review process for implementation of business operation.
- Identifying improvements in business operation and associated management process.
- Implementing and monitoring identified improvements for effectiveness.
- Monitoring process

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

- Review process is developed and implemented for implementation of business operation.
- Improvements in business operation and associated management process are identified.
- Identified improvements are implemented and monitored for effectiveness.

### **Learning Instructions:**

1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below 3 to 5.
3. Read the information written in the information “Sheet 1, 2, 3 & 4.
4. Accomplish the “Self-check 1, Self-check t 2, Self-check 3 Self& check 4 respectively.
5. If you earned a satisfactory evaluation from the Self-checks proceed to learning guide 14.

Information Sheet-1	Developing and implementing review process for implementation of business operation.
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## 1.1 Developing and implemented review process

The business development plan is Implemented in order to check whether the implemented plan achieved its goal or not. To determine this periodically we should develop a plan /schedule review process using the following steps:

- Monitor progress
- Determine status of plans and schedules
- Confirm requirements and their system allocation or evaluate management approaches used to achieve fitness or purpose Implementation planning must define the data to be collected and the method to be used for monitoring. Obtaining advice from experts in data collection during the planning process will contribute to a robust and credible methodology. Monitoring will inform other components of implementation such as risk management

**1.2 Review regularly:** Factor in reviews are part of your planning process to assess progress of implementation at critical milestones or in response to specific issues. Reviews are a “snapshot” in the life of an initiative and tend to focus on operational issues, effectiveness of governance and project management structures, and may also include policy outcomes. Findings and recommendations from reviews should be used to improve implementation.

**1.3 Evaluate the outcomes:** The success of an initiative is determined by the extent to which intended and unintended policy outcomes are achieved and how they have affected stakeholders. Planning for evaluation should identify and map baseline information as well as ensure that ongoing access to consistent data sources will be available through monitoring over the life of the initiative. Data can be quantitative (hard or numerical data) or qualitative (soft or categorical).

Self-Check -1	Written Test
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**Directions:** Give short answer for the following question and write your answer on the answer sheet.(2 pts ech)

1. Why do you implement business development plan?
2. How do you evaluate the outcome?

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

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

### Answer sheet

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

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

### Short Answer Questions

1. ....  
.....
2. ....  
.....

**Note:** Satisfactory rating - 2 point Unsatisfactory - below 2 points

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

<b>Information Sheet-2</b>	<b>Identifying improvements in business operation and associated management process.</b>
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## 2.1 Business process improvement and Management

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

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

Business Process management (BPM): is a field in operations management that focuses on improving corporate performance by managing and optimizing a company's business processes. It can therefore be described as a "process optimization process". It is argued that BPM enables organizations to be more efficient, more effective and more capable of change than a functionally focused, traditional hierarchical management approach. These processes can impact the cost and revenue generation of an organization.

As a policy-making approach, Business Process Management sees processes as important assets of an organization that must be understood, managed, and developed to announce value-added products and services to clients or customers. This approach closely resembles other total quality management or continual improvement process methodologies and BPM proponents also claim that this approach can be supported, or enabled, through technology. As such, many BPM articles and scholars frequently discuss BPM from one of two viewpoints: people and/or technology.

Business process management as: the definition, improvement and management of a firm's end-to-end enterprise business processes in order to achieve three outcomes crucial to a performance-based, customer-driven firm:

1. clarity on strategic direction,
2. alignment of the firm's resources, and
3. increased discipline in daily operations

Business process management activities can be arbitrarily grouped into categories such as design, modeling, execution, monitoring, and optimization

- **Design**

Process design encompasses both the identification of existing processes and the design of "to-be" processes. Areas of focus include representation of the process flow, the factors within it, alerts and notifications, escalations, standard operating procedures, service level agreements, and task hand-over mechanisms. Whether or not existing processes are considered, the aim of this step is to ensure that a correct and efficient theoretical design is prepared.

The proposed improvement could be in human-to-human, human-to-system or system-to-system workflows, and might target regulatory, market, or competitive challenges faced by the businesses. The existing process and the design of new process for various applications will have to synchronize and not cause major outage or process interruption.

- **Modeling**

Modeling takes the theoretical design and introduces combinations of variables (e.g., changes in rent or materials costs, which determine how the process might operate under different circumstances). It may also involve running "what-if analysis"(Conditions-when, if, else) on the processes: "What if I have 75% of resources to do the same task?" "What if I want to do the same job for 80% of the current cost?"

- **Execution**

One of the ways to automate processes is to develop or purchase an application that executes the required steps of the process; however, in practice, these applications rarely execute all the steps of the process accurately or completely.

Another approach is to use a combination of software and human intervention; however this approach is more complex making the documentation process difficult.

- **Monitoring**

Monitoring encompasses the tracking of individual processes so that information on their state can be easily seen, and statistics on the performance of one or more processes can be provided. An example of this tracking is being able to determine the state of a customer order (e.g. order arrived, awaiting delivery, invoice paid) so that problems in its operation can be identified and corrected. The degree of monitoring depends on what information the business wants to evaluate and analyze and how business wants it to be monitored, in real-time.

- **Optimization**

Process optimization includes retrieving process performance information from modeling or monitoring phase; identifying the potential or actual bottlenecks and the potential opportunities for cost savings or other improvements, and then applying those enhancements in the design of the process.

<b>Self-Check -2</b>	<b>Written Test</b>
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**Directions:** Give short answer for the following question and write your answer on the answer sheet.

1. Discuss the review implementation process.(3pts)
2. How are identified improvements in business operation is be implemented?  
(3pts)
3. Why is proper documentation of business operation important? (2pts)

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

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

### Answer sheet

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

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

### Short Answer Questions

1. ....  
.....
2. ....  
.....
3. ....  
.....

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

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

### Information Sheet-3

## Implementing and monitoring identified improvements for effectiveness

### 3.1 Implementation and monitoring

Once you have reviewed your enterprise, developed your goals and objectives, and settled on the best strategies to pursue, you need to turn your attention to actually implementing and monitoring your activities as you move through the changes you need to make to achieve your goals.

Guidelines to implementing and monitoring a change

Ensure that all family and staff members know what is to be implemented and by when.

In a successful farming business, it is important to:

- Ensure each member of the business knows their roles and job responsibilities.
- Develop a set of clear ground rules to reduce the risk of personal conflict.
- Discuss and agree on expectations pertaining to key areas of the business.
- Create a written agreement that has regular review dates set in advance.
- Hold regular business meetings to ensure all people in the business spend part of their time and energy working on the business, and not just in the business.

The implementation of any enterprise transition plan should be part of the annual operating plan for your farm. Aim to achieve the change from current practice to new enterprise strategies in as short a time as possible. At the same time, ensure that cash flow maintains business equity and liquidity within the set limits. Develop a process that tests, priorities and sequences the best-bet options to maximize return on investment of time and capital and annual business profit. A successful transition plan should control then improve enterprise cash flow.

### 3.2 Monitoring and evaluation

Monitoring and evaluation of progress are the basis for continuous improvement in a business. Monitoring provides an extremely important check on the accuracy of the inputs and predictions from the analyses used to set the enterprise strategic direction.

They are also necessary to ensure that the plan is being implemented as intended and that changes in enterprise productivity and profitability align with predetermined targets

after for growth, market prices and variable costs. Monitor the productivity and profitability of your business regularly

There is generally a strong association between ongoing monitoring and feedback and the successful implementation of a plan. Continual monitoring of physical resources and financial outcomes provides you with confidence that the strategies are either on-track or need revision. The system must alert you to weaknesses in the enterprise operation and allow you to take the necessary corrective changes based on accurate information. This helps to reduce the risk and uncertainty about whether changes made to your enterprise are actually working.

Monitor physical resources and financial outcomes to check enterprise strategies are on-track Undertake sufficient monitoring to effectively update your short-, medium and long-term objectives from the results of the previous year. It also makes sense to review the strategic direction periodically in relation to changes that have occurred in technology advances, progress and your own business and goals. Check the accuracy of inputs and predictions.

### 3.3 Benchmark

Monitoring change to the business is achieved by benchmarking the performance of your enterprise. Benchmarking is not only important to evaluate how the business compares with industry, but when your business is undergoing change, benchmarking the performance is a critical aspect to evaluate success and also to identify ongoing aspects that can be further improved

### 3.4 Manage the risks

Risks associated with implementing a new strategic direction in the beef enterprise can be managed by carrying out the procedures in this module with attention to those parts that are relevant to your farming business. The main risks of transition are failure to gain a higher enterprise profit from the restructure. To ensure success:

- management needs to have the knowledge and skills to manage change

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- implementing the transition plan in a logical sequence leads to greater productivity
- investments must be scheduled in the highest order of rate of return on investment
- Enterprise changes are planned to control cost and maximize returns.

Other risks include one or a combination of the following:

- not knowing the accuracy of the analysis or predictions used
- not having an accurate way of knowing whether planned actions or tactics are meeting targets
- lack of objective feedback to build confidence in change
- implementation of the planned changes is not successful
- Over-time, changes in the overall business environment or in your own business or family goals, mean that the initial directions set are no longer the most appropriate.
- Manage risks and take the appropriate corrective actions

When tracking progress, potential corrective actions include:

- Identifying the reason for being off-track and taking the appropriate action when
- outside the limits you set Rigorous checking that implementation is not at fault
- Revising the analysis using updated values when change is implemented correctly
- Re-examining the original analyses when the original projections are not on-track. Using your own information can add confidence to the review
- Re-examining the strategy every five years, or in the event of a new opportunity.

### 3.5 How to identify process improvement in business management and operation

Process improvement is essential for business in a climate of competition, market rivalry and a global economy. Identifying the processes in your business that can be improved by gaining an understanding how efficient and effective processes are -- will help your company grow and expand. The first step in correcting any problems is identifying the processes in your business that can be more productive and efficient.

- Be familiar with the business processes. Process improvement starts with having a firm foundation of all parts of the company, understanding what makes the organization work. If you are coming from outside the company, interview as many employees as possible, on all levels; familiarize yourself with all departments and how they work together. Visually chart company processes
- Identify measurable processes in the core business functions. Gather data measurements of the business processes such as inventory levels, costs, sales, demand, labor hours, lead times and space allocations
- Look to where waste occurs in the process flow. Waste is defined as processes that do not add value to an organization. Process improvement drives away waste and increases value in an organization. Wastefulness in processes can take the form of redundancy of personnel or tasks, excessive quality testing, inventory overages or excessive labor. Identifying waste is a key step in determining where processes can be improved
- Construct root cause analysis. You can identify opportunities for process improvement when determining what prevents a process from adequately meeting its objectives. Some tools of root cause analysis include the 5 Whys, Fishbone Diagrams and Value Stream Mapping. These tools can help identify where a process breaks down.

### Self-Check -3

### Written Test

**Directions:** Answer the questions listed below. Use the Answer sheet provided (4 pts each)

1. In a successful farming business, it is important to:
  - A. Ensure each member of the business knows their roles and job responsibilities.
  - B. Develop a set of clear ground rules to reduce the risk of personal conflict.
  - C. Discuss and agree on expectations pertaining to key areas of the business.
  - D. All
2. The first step in correcting any problems is identifying the processes in your business that can be more productive and efficient are
  - A. Be familiar with the business processes
  - B. Identify measurable processes in the core business functions
  - C. Look to where waste occurs in the process flow
  - D. All

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

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

### Answer sheet

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

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

### Short Answer Questions

1. ....
2. ....

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

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

## Information Sheet-4

## Implementing and monitoring identified improvements for effectiveness

### 4.1 Implementation of identified improvements in business operations

Continuous improvement is essential for companies that want to remain competitive in their respective fields and become industry leaders. When planning improvement, it is important for businesses to be strategic and consider areas that will have the greatest impact on the overall quality of the organization. By focusing on a select group of areas, a business can grow efficiently.

#### A. Education and Training

Spending money to train and educate employees is a strategic way for a company to improve its workforce and create leaders. Investing in the development of highly skilled and educated workers creates a work environment that is increasingly productive and informed with current advancements in the industry. This also positions the company as an innovative, dynamic firm that is proven to care about its employees, thus creating a desirable work environment for current and potential employees.

#### B. Property Maintenance

Maintaining and developing property is a strategic business improvement that adds value to a company. The property that belongs to a business is a physical asset and keeping it maintained is essential so that it retains the highest value possible. Property upkeep is also necessary to give a professional appearance to current and potential customers. Beyond property maintenance, renovating and developing property is a strategic business improvement that can be used to house new departments or equipment.

#### C. Marketing

Marketing is a corporate area that presents an opportunity for strategic business improvements to become more competitive. Enhanced marketing efforts can lead to growth and increased sales. Money invested in improving marketing efforts pays off when an organization captures a greater share of the market and wins over new customers. Besides marketing to customers, companies benefit from

marketing themselves to potential employees. Investing in outside talent with recruiting efforts can strengthen an organization's overall talent level.

#### **D. Research and Development**

Investing in a company's research and development (R&D) department is a strategic move that enables a company to create new products and improve existing goods and processes. Strengthening research and development efforts gives a company flexibility to explore new markets, while at the same time increasing current customer satisfaction with updated products. As noted by The Times 100 website, "customer preferences are constantly changing" and strategic investment in R&D helps a company be proactive to this.

### **4.2 Identifying improvements for effectiveness**

#### **Benefits to Employees:**

- Provides a chance for employees to ask questions and tell you their sense of what they've accomplished
- Lets employee know his/her strengths and areas that need improvement
- Allows employees to take responsibility for their performance
- Lets employees know what's expected of them; creates mutual understand of job duties
- Helps to improve employee relations and productivity
- Serves as an effective retention tool
- Provides a paper trail for addressing performance or disciplinary problems
- Demonstrates organization's commitment to employee success
- Provides valuable feedback for managers

<b>Self-Check: 4</b>	<b>Written test</b>
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**Directions:** Answer the questions listed below. Use the Answer sheet provided.(4 pts each)

- .....is a corporate area that presents an opportunity for strategic business improvements to become more competitive.  
A. Education and Training B. Property Maintenance C. Marketing D. All
- One is benefits of improvement to employee  
A. Helps to improve employee relations and productivity  
B. Serves as an effective retention tool  
C. Provides a paper trail for addressing performance or disciplinary problems  
D. All

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

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

### Answer sheet

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

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

### Multiple choices

- .....
- .....

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

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

<b>Instruction Sheet</b>	<b>Learning Guide #14 Establish contact with customers and clarify needs of customer</b>
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This learning guide is developed to provide you the necessary information regarding the following operation and topics.

- Developing and discussing persuasion strategies.
- Maintaining welcoming customer environment.
- Providing Information to satisfy customer needs.
- Gathering information on customers and service history for analysis.
- Maintaining customer data to ensure database relevance and currency.
- Assessing customer need against the products/services.
- Documenting customer details clearly and accurately in required format.
- Conducting negotiations in a business-like and professional manner.
- Maximizing benefits for all parties in the negotiation through use of established techniques.

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

- Persuasion strategies are developed and discussed.
- Welcoming customer environment is maintained and Customer is greeted warmly according to enterprise policies and procedures.
- Information is provided to satisfy customer needs.
- Information on customers and service history is gathered for analysis.
- Customer data is maintained to ensure database relevance and currency.
- Customer needs are accurately assessed against the products/services of the enterprise.
- Customer details are documented clearly and accurately in required format.
- Negotiations are conducted in a business-like and professional manner.
- Benefits for all parties are maximized in the negotiation through use of established techniques and in the context of establishing long term relationships.

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1. Read the specific objectives of this Learning Guide 14.
2. Follow the instructions described below 3 to 5.
3. Read the information written in the information “Sheet 1, Sheet 2, Sheet 3 , Sheet 4”.& sheet 5 ,6,7.8.9
4. Accomplish the “Self-check 1, Self-check t 2, Self-check 3 Self-check 4” self check 5 ,6,7,8 and 9 respectively.
5. If you earned a satisfactory evaluation from the “Self-checks” proceed to learning guide 15.

## Information Sheet-1

## Developing and discussing persuasion strategies.

### 1.1 Persuasion strategies

Persuasion strategies Is defines as the tactics used to influence customers to believe and buy a product/service. The following are different kinds of strategies that the business owners can use to convince their customers

1. Claim: State your argument. Example: I am going to try to convince you that chocolate is a healthy snack.
2. Research/ Logos: reliable research can help your argument seem convincing. Example: A recent study shows that students who watch TV during the week don't do as well in school.
3. Big Names: Important people or experts can make your argument seem more convincing. Example: Former U.S president Barak Obama thinks that unwanted food should be taken out of marketing machines
4. Ethos: If people believe and trust in you, you are more likely to persuade them. Example: Believe me! I have been there before, I am just like you.
5. Kairos: try to convince your customer that this good/product is so important. They should act now. This is done by creating urge on them. Example: this is a onetime offer. You can't get this price after today
6. Pathos/ Emotive language: Appeals to the customer's emotion. Demonstrating the quality or power in actual life experience or in literature, music and speech. Example: Give money to our charity in order to save the life of elders'people
7. Repetition/slogan: Repeating keywords or phrases Example: —Yes we can!" Yes we can!" "Yes we can!" taken from Obama's presidential campaign.

<b>Self-Check -1</b>	<b>Written Test</b>
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**Directions:** choose the best answer for the questions listed below. Use the Answer sheet provided.(4 pts each)

- One is different kinds of strategies that the business owners can use to convince their customers  
A. Claim      B. Research/ Logos      C. Big Names      D. All
- is the tactics used to influence customers to believe and buy a product/service  
A. Persuasion strategies      B. Claim      C. Research/ Logos      D. Big Names

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

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

### Answer sheet

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

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

### Multiple choices

- .....
- .....

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

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

## Information Sheet-2

## Providing Information to satisfy customer needs

### 2.1 Information to satisfy customer needs

In order to gather the information you need to begin a plan with new clients by asking a series of questions to determine the specific problem they want to fix would be the possible approach. There are five steps that can be used by any business activity to gather information to know customers 'needs/wants.

#### 1. Talk to customers

Develop a list of five to ten open-ended and multiple choice questions designed to stimulate information from customers about how they perceive your service/product and the level of service you deliver. These interviews can be conducted on one-on-one basis with customers over the phone, or in small focus groups of five to ten people.

#### 2. Listen to employees

While organizations might think customer service challenges are only about the customers, they are often surprised to learn the employees who work with customers to get some valuable ideas about customer service. Developing a confidential and unspecified survey that employees take electronically can be a game changer. Because it's anonymous; employees who might not feel comfortable talking with managers open up with their observations, challenges and even suggestions. The results of an employee survey often reveal that customers and employees are more on the same page than management ever imagined.

#### 3. Address the real issues

Armed with solid and realistic information from both customers and employees, business leaders can begin to address the real problems they're facing to deliver quality customer service. They may begin to develop processes and procedures that will ensure outstanding service. They may find that additional training is needed for their employees. They may also find creative and productive ways to create an on-going communication with customers.

#### 4. Reality check with customers

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Although it may seem like the hard work is over, it's crucial that companies continue to measure customer satisfaction, either through one-on-one conversations, focus groups, hand-written questionnaires, or a confidential electronic survey.

## 5. Develop on-going processes for working with customers

As the pieces of the customer service puzzle start to fall into place, and the company has a clearer understanding of what its customers and employees need to deliver outstanding service, it's crucial to invest the time into developing a plan that will ensure continuing high levels of service. Without formal policies, procedures, and processes to support the commitment to service, the company might find itself falling back into old practices by ignoring its customers' needs and desires.

## Self-Check -2

## Written Test

**Directions:** Choose the best answer for the questions listed below. Use the Answer sheet provided. (4pts each)

1. One is the steps that can be used by any business activity to gather information to know customers needs/wants  
A. Talk to customers B. Listen to employees C. Address the real issues D. All
2. \_\_\_\_\_ is Armed with solid and realistic information from both customers and employees, business leaders can begin to address the real problems they're facing to deliver quality customer service.  
A. Talk to customers B. Listen to employees C. Address the real issues D. All

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

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

### Answer sheet

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

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

### Multiple choices

1. ....
2. ....

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

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



Name Address Telephone Email Compiled Address

**Product Data base**

Product Price/Unit

Self-Check -3	Written Test
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**Directions:** Give short answer for the following questions and write your answer on the answer sheet provided.

1. Discusses the two part of Customer Information analysis?(8pt)

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

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

### Answer sheet

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

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

### Give short answer

1. ....  
.....  
.....

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

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

<b>Information Sheet-4</b>	<b>Maintaining customer data to ensure database relevance and currency</b>
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#### **4.1 Documenting and Maintaining Customer data to ensure database relevance and currency.**

Customer data is used as:

- Create a more personalized, pleasurable experience: By leveraging customer and consumer data, business owner can make personalized recommendations, inform shoppers of special offers and promotions that are most relevant to them and fully maximize cross-sell and up-sell opportunities to realize increased revenues customize promotions and special offers: Successfully analyzing and acting on customer, market and competitive data can help companies provide their customers with customized offers, appropriate marketing and ad campaigns, and the right deals companies can identify the specific products that each customer is likely to want, and the price they are willing to pay, Improve your marketing: Big data enables marketers to understand the cross channel behavior of prospects that become customers, meaning you can see the prospect-to-customer journey and the campaigns that influenced them the most. Create new products or services: For instance, a sports equipment manufacturer could create a complimentary service providing guidance to athletes on how they optimize their workout regime, or a healthcare provider could use information from a fitness watch to provide personalized healthcare services to their clients Provide better customer service: helps large organizations make sense of mass amounts of data in real time. For example, when a customer calls, [agents could greet him] with a customized response along the lines of, Hello, Thomas. Thank you for being a customer since 1995. I see that your last call was regarding product X. Is this the same product you're calling about?

Improve organizational effectiveness and reduce risk and fraud: Many companies see customer insights as opportunities for cost savings. For example, by analyzing customer data, such as customer behaviors, companies are empowered with the insights needed to maximize efficiency, which can result in considerable savings. Create shareable content: Use the data you've gathered – from surveys, for example and turn it into a

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well-designed, on social media to generate voices about your business. Activity:  
Practice in the cooperative session at the industry with the help your instructor

## Self-Check -4

## Written Test

**Directions:** Give short answer for the following questions and write your answer on the answer sheet provided.(4 pts)

1. Define Customer data?

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

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

### Answer sheet

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

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

### Give short answer

1. ....  
.....

**Note: Satisfactory rating - 2 point Unsatisfactory - below 2 points**

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

Information Sheet-5	Documenting customer details clearly and accurately in required format
---------------------	--

### 5.1 Assessment of Customer need against the products/services of the enterprise.

Enterprise customers need high touch treatment from customer success and additional facts about the product to fill gaps. This might take in terms of: Product Customization: based on customer need/want or problem, the product will refine or brought different kinds of product Professional Service: Scale professional services by level staffing to match the targeted new customers Arrow process: in this process saving the tie of customers, professional service which is mentioned on the above points, easy to use engagement and impression of the customer is included. It is demonstrated in the following way

## Self-Check -5

## Written Test

**Directions:** Give short answer for the following questions and write your answer on the answer sheet provided.(4 pts)

1. Define the purpose of customers need Assessment?

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

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

### Answer sheet

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

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

### Give short answer

1. ....  
.....  
.....

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

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

## Information Sheet-6

## Conducting negotiations in a business-like and professional manner

### 6.1 Business Negotiations skill

The ability to negotiate requires a collection of interpersonal (communication with others) and communication skills used together to bring a desired result. 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. The following are the skills that exist in a business transaction

- **Problem Solving**

Individuals with negotiation skills have the ability to seek a variety of solutions to problems. Instead of focusing on his ultimate goal for the negotiation, the individual with skills can focus on solving the problem, which may be a breakdown in communication, to benefit both sides of the issue.

- **Decision Making Ability**

Leaders with negotiation skills have the ability to act decisively during a negotiation. It may be necessary during a bargaining arrangement to agree to a compromise quickly to end a stalemate.

- **Interpersonal Skills**

Effective negotiators have the interpersonal skills to maintain a good working relationship with those involved in the negotiation. Negotiators with patience and the ability to persuade others without using manipulation can maintain a positive atmosphere during a difficult negotiation.

- **Ethics and Reliability:** Ethical standards and reliability in an effective negotiator promote a trusting environment for negotiations. Both sides in a negotiation must trust that the other party will follow through on promises and agreements. A negotiator must have the skills to execute on his promises after bargaining ends.

## Self-Check -6

## Written Test

**Directions:** choose the best answer for the following questions and write your answer on the answer sheet provided.(2 pts each)

1. \_\_\_\_\_ is are the skills that exist in a business transaction  
A. Problem Solving B. Decision Making Ability C. Interpersonal Skills D. All
2. \_\_\_\_\_ have the ability to act decisively during a negotiation  
A. Problem Solving B. Decision Making Ability C. Interpersonal Skills D. None

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

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

### Answer sheet

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

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

### Multiple choices

1. ....
2. ....

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

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

## Information Sheet-7

## Maximizing benefits for all parties in the negotiation through use of established techniques

### 7.1 How to Enhance Your Negotiated Agreement

Starting a business requires, quite literally, hundreds of negotiations. Some are small, like securing the best price on printing your letterhead and business cards. Others are far bigger deals that can make or break your startup business from the get-go. Sometimes you are the buyer; other times the seller. Either way, the skills you need to be a good negotiator are the same.

The following are the techniques that you have to use in order to increase negotiation skill:

1. Prepare, prepare, prepare. Enter a negotiation without proper preparation and you've already lost. Start with yourself. Make sure you are clear on what you really want out of the arrangement. Research the other side to better understand their needs, as well as their strengths and weaknesses. Enlist help from experts, such as an accountant, attorney or tech guru.
2. Pay attention to timing. Timing is important in any negotiation. Sure, you must know what to ask for, but also be sensitive to when you ask for it. There are times to press ahead, and times to wait. When you are looking your best is the time to press for what you want. But beware of pushing too hard and poisoning any long-term relationship.
3. Leave behind your ego. The best negotiators either don't care or don't show they care about who gets credit for a successful deal. Their talent is in making the other side feel like the final agreement was all their idea.
4. Upgrade up your listening skills. The best negotiators are often quiet listeners who patiently let others have the floor while they make their case. They never interrupt. Encourage the other side to talk first. That helps set up one of negotiation's oldest maxims: whoever mentions numbers first, loses. While that's not always true, it's generally better to sit tight and let the other side go first. Even

if they don't mention numbers, it gives you a chance to ask what they are thinking.

5. If you don't ask, you don't get. Another tenet of negotiating is, "Go high, or go home." As part of your preparation, define your highest justifiable price. As long as you can argue convincingly, don't be afraid to aim high. But no ultimatums, please. Take-it-or-leave-it offers are usually out of place.
6. Anticipate compromise. You should expect to make concessions and plan what they might be. Of course, the other side is thinking the same, so never take their first offer. Even if it's better than you'd hoped for, practice your best look of disappointment and politely decline. You never know what else you can get.
7. Offer and expect commitment. The glue that keeps deals from unraveling is an unshakable commitment to deliver. You should offer this comfort level to others. Likewise, avoid deals where the other side does not demonstrate commitment.
8. Don't absorb their problems. In most negotiations, you will hear all of the other side's problems and reasons they can't give you what you want. They want their problems to become yours, but don't let them. Instead, deal with each as they come up and try to solve them. If their "budget" is too low, for example, maybe there are other places that money could come from.
8. Stick to your principles. As an individual and a business owner, you likely have a set of guiding principles and values that you just won't compromise. If you find negotiations crossing those boundaries, it might be a deal you can live without.
9. Close with confirmation. At the close of any meeting (even if no final deal is struck) recap the points covered and any areas of agreement. Make sure everyone confirms. Follow-up with appropriate letters or emails. Do not leave behind loose ends.

<b>Self-Check -7</b>	<b>Written Test</b>
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**Directions:** choose the best answer and write your answer on the answer sheet provided.(4 pts)

- The following are the techniques that you have to use in order to increase negotiation skill
  - Prepare, prepare, prepare
  - B. Pay attention to timing.
  - C. Upgrade up your listening skills.
  - D. All

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

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

### Answer sheet

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

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

### Multiple choice

- .....

**Note: Satisfactory rating - 2 point Unsatisfactory - below 2 points**

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

## Information Sheet-8

## Building and maintaining relationships to achieve successful business outcomes

### 8.1 The Outcome of Business Negotiation Skill

The following are five specific reasons why negotiation skills are absolutely imperative in the business world: A Negotiation Mindset is Beneficial with Everyone from Clients to Employees While the ability to negotiate is certainly an important part of boardroom meetings and hammering out contracts, the benefits actually extend far beyond those better-known applications. For example, negotiation skills can be invaluable when discussing the responsibilities an employee or new hire will have, and can ensure that both parties understand exactly what is expected of the other.

- **Creates Win-Win Situations:** Contrary to what some believe, negotiation skills are not about beating the opposition out of the other party. In fact, the best negotiators are ones who are able to create win-win situations, in which everyone walks out thinking that the deal is a good one. While the ability to aggressively get what one wants might seem like a victory in the moment, the reality is that the lack of goodwill generated by this can cause problems down the road. There is no question that finding a deal which makes everyone happy is difficult, but this is exactly why it is so highly valued.
- **Good Negotiating can improve your Bottom Line:** Ultimately, the goal of a negotiation is to get the best deal possible for you and your organization. In doing so, you are by definition improving your bottom line. For example, if you are able to reduce your overhead by 10% due to an effective negotiation, that money goes straight to your profit margin. Ensures that You Can Walk In to a Negotiation Confidently Confidence is an important part of any negotiation. Walking into an important negotiation with the fundamental knowledge that you know what you are doing means that you can focus on the deal itself instead of worrying about whether you are being outmaneuvered by the other party. In addition, the ability to confidently make a presentation, as well as provide offers or counteroffers, has been proven to be result of better deals.

- **Negotiation Skills Build Respect:** Respect is an essential part of business. It is important that your employees respect you if you want to get the most productivity out of them, and it is just as important that vendors, clients, and anyone else you may be negotiating with respect you as well. The impression you leave after a negotiation can have a lasting impression which has an implication in to your reputation in your industry. This fact underlines an important point: it is far better to be a somewhat intimidating character due to your negotiating skills than it is to be looked at as a pushover at the negotiating table. Far from being a roadblock in future deals, the ability to negotiate will make people want to work with you.

## Self-Check -8

## Written Test

**Directions:** give short answer for the following question and write your answer on the answer sheet provided.

1. Define the five specific reasons why negotiation skills are absolutely imperative in the business world

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

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

### Answer sheet

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

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

### Give short answer

1. ....

**Note: Satisfactory rating - 2 point Unsatisfactory - below 2 points**

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

## Information Sheet-9

## Identifying and taking-up opportunities to maintain regular contact with customers

### 9.1 Opportunities to maintain regular contact with customers

#### Ways to maintain customer relationships

- **Listen to your customers:** Listening to your customers is an easy way to maintain customer relationships. One way social media can help is by providing a space for businesses and customers to connect. By creating a company Twitter handle, Face book page, and Instagram account, your company can help customers reach out if they have any concerns, issues, or feedback. Listening to them on these social networks will allow you to respond quickly.
- **Be genuine to your customers:** Being genuine with your customers goes a long way when it comes to maintaining customer relationships. For example, if your customers are having issues with your product provide an honest answer and don't make promises you can't keep. The worst thing you can do as a business is make false promises instead of an effective customer solution.
- **Put emphasis on customer success:** Customer success is a pivotal focus point for businesses. If you provide support to your customers, they will, in turn, reward you with loyalty and valuable feedback. This could start out small: for example, by entrusting someone on your team with customer support duties. This will help you maintain customer relationships and promote your business.
- **Keep in touch:** Just like maintaining friendships, in order to maintain customer relationships you need to keep in touch. For businesses this can come in the form of holiday cards, birthday greeting Tweets, or a quarterly email reminding your customers that you're there for them if they need you. By keeping in touch with your customers, you'll stay —top of mind”—this is a key to making sure your customers don't leave you for someone else, or forget about you altogether.

## Self-Check -9

## Written Test

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

1. One is ways to maintain customer relationships
  - A. Listen to your customers
  - B. Be genuine to your customer
  - C. Put emphasis on customer success
  - D. All

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

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

### Answer sheet

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

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

### Multiple choice

1. ....

**Note: Satisfactory rating - 2 point Unsatisfactory - below 2 points**

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

<b>Instruction Sheet</b>	<b>Learning Guide #15: Develop and maintain business relationship</b>
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This learning guide is developed to provide you the necessary information regarding the following Develop and Maintain Business Relationship operation and topics.

- Describing / recommending features and benefits of products/services
- Discussing alternative sources of information/advice with the customer.
- Reviewing information needed and acted upon to maintain sound business relationships.
- Honouring agreements within the scope of individual responsibility.
- Nurturing relationships through regular contact and use of effective interpersonal and communication styles.

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:

- Features and benefits of products/services provided by the enterprise are described/ recommended to meet customer needs.
- Alternative sources of information/advice are discussed with the customer.
- Information needed is pro-actively sought, reviewed and acted upon to maintain sound business relationships.
- Agreements are honored within the scope of individual responsibility.
- Adjustments to agreements are made in consultation with the customer and information shared with appropriate colleagues.
- Relationships are nurtured through regular contact and use of effective interpersonal and communication styles.
- The results of negotiations are communicated to appropriate colleagues and stakeholders within appropriate timeframes.
- Opportunities to maintain regular contact with customers are identified and taken-up

### Learning Instructions:

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1. Read the specific objectives of this Learning Guide.
2. Follow the instructions described below 3 to 6.
3. Read the information written in the information “Sheet 1, Sheet 2, Sheet 3 , Sheet 4”.& sheet 5
4. Accomplish the “Self-check 1, Self-check t 2, Self-check 3 Self-check 4” self check 5 and respectively.
5. If you earned a satisfactory evaluation from the “Self-check”1 proceed to learning guide 16.



- When all the products in a category provide the same basic benefits, a unique feature may provide a competitive advantage.
- When products or services can be easily compared with competitors' as the Internet makes increasingly possible consumers can choose products and services with the most features. Thus, even though most cell phones will provide its owner with the same general benefits for communication, a person considering which cell phone to buy may not choose a certain model if it is missing a feature not found on a competitor's phone.

<b>Self-Check -1</b>	<b>Written Test</b>
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**Directions:** Give short answer for the following questions and write your answer on the answer sheet provided.(4 pts)

1. Define when do features matter the most?

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

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

### Answer sheet

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

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

### Give short answer

1. ....  
.....  
.....

**Note: Satisfactory rating - 2 point Unsatisfactory - below 2 points**

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

## Information Sheet-2

## Discussing alternative sources of information/advice with the customer

### 2.1 Alternative sources of information/advice for the customer.

What are the information resources? Information resources are defined as the data and information used by an organization. Examples of information resources are databases with customer purchase information. Businesses need information to be successful, and that information can come from a variety of sources, both internal and external. Understanding the various sources of information and how to access them can help companies and their leaders stay on top of emerging trends and environmental factors that can affect their success.

### 2.2 Classification of Information Sources

The general classification for sources of information

1. Primary sources
2. Secondary sources
3. Tertiary sources

The type of information needed will change depending on its application. The following things should be considered by the business in selecting and using the appropriate information for its day to day activities

1. The types of Information Resources Does a Business Usually Need
2. The resources: You Need to Succeed to Start a Business
3. Types of Information Systems in a Business Organization

Thus, information can come from virtually anywhere: media, blogs, personal experiences, books, journal and magazine articles, expert opinions, encyclopedias, web pages and the type of information you need will change depending on the question you are trying to answer. Look at the following sources of information. Notice the similarities between them.

## 2.3 Types of information sources for a Business

Types Information Use includes

**1. Magazines** a magazine is a collection of articles and images about diverse topics of popular interest and current events. Usually these articles are written by journalists or scholars and are geared toward the average adult. Magazines may cover very "serious" material, but to find consistent scholarly information, you should use journals. to find information or opinions about popular culture to find up-to-date information about current events

- National Geographic
- Ebony
- Sports Illustrated
- People

**2. Journal** A journal is a collection of articles usually written by scholars in an academic or professional field. An editorial board reviews articles to decide whether they should be accepted.

Articles in journals can cover very specific topics or narrow fields of research. when doing scholarly research to find out what has been studied on your topic to find bibliographies that point to other relevant research Journal of Communication The Historian Journal of the American Medical Association Database A database contains citations of articles in magazines, journals, and newspapers. They may also contain citations to podcasts, blogs, videos, and other media types. Some databases contain abstracts or brief summaries of the articles, while other databases contain complete, full-text articles. When you want to find articles on your topic in magazines, journals or newspapers Academic Search Complete (a general database) Compendia (an engineering database) (a business database) Newspaper

**3. A newspaper** is a collection of articles about current events usually published daily. Since there is at least one in every city, it is a great source for local information. to find

current information about international, national and local events to find editorials, commentaries, expert or popular opinions Roanoke Times New York Times Library

**4. A library catalog** is an organized and searchable collection of records of every item in a library and can be found on the library home page.

The catalog will point you to the location of a particular source, or group of sources, that the library owns on your topic. to find out what items the library owns on your topic

**5. Encyclopedias** Encyclopedia are collections of short, factual entries often written by different contributors who are knowledgeable about the topic.

There are two types of encyclopedias: general and subject. General encyclopedias provide concise overviews on a wide variety of topics. Subject encyclopedias contain in-depth entries focusing on one field of study. when looking for background information on a topic when trying to find key ideas, important dates or concepts African American Encyclopedia (subject encyclopedia) Encyclopedia Americana (general encyclopedia) World Book (general encyclopedia found online) Gale encyclopedia of genetic disorders (subject encyclopedia found online) Web The Web allows you to access most types of information on the Internet through a browser.

One of the main features of the Web is the ability to quickly link to other related information. The Web contains information beyond plain text, including sounds, images, and video. The important thing to do when using information on the Internet is to know how to evaluate it! to find current information to find information about companies to find information from all levels of government - federal to local to find both expert and popular opinions.

## Self-Check -2

## Written Test

**Directions:** Answer all the questions listed below. Use the Answer sheet provided in the next page (2 pts each)

1. One is alternative sources of information/advice for the customer.
  - A. Legal cases, treaties
  - B. Statistics, surveys, opinion polls,
  - C. Scientific data, transcripts
  - D. All
2. \_\_\_ is a collection of articles usually written by scholars in an academic or professional field.
  - A. journal
  - B. Scientific data, transcripts
  - C. News paper
  - D. None

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

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

## Answer sheet

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

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

## Multiple choice

- 1.....
2. ....

**Note: Satisfactory rating - 2 point Unsatisfactory - below 2 points**

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

### Information Sheet-3

## Reviewing information needed and acted upon to maintain sound business relationships

### 3.1 Searching and acting upon Information to maintain sound business relationships.

There are four Key essential ways to build customer relationships tactics:

1. Build your network--it's your sales lifeline.
2. Communication is a contact sport, so do it early and often.
3. E-mail marketing keeps relationships strong on a shoestring budget
4. Reward loyal customers, and they'll reward you.

Why do we establish and maintain sound business relationships

- Establish and build on base of long term clients
- Enjoy repeat and referral business
- Tops up troughs in times of lower business activity
- Add to the bottom line – profitability and sustainability.

Who do we develop business relationships with? With clients? With supplier and information /Approval Providers.

1. Good first impression
2. Develop rapport
3. Effective communication skills
4. Regular contact
5. Conduct negotiations
6. Develop sound agreements and contracts
7. Avoid misunderstandings
8. Keep stakeholders informed
9. Networking
10. Be ethical

Here are three tips to build trust in your customer relationships:

- Show compassion in your actions affecting the relationship
- Be honest, credible and keep your integrity (if you say something, make sure you do it, on time!)

- Show you have the competence to act for the mutual benefit of your relationship  
It's essential to exhibit these characteristics because trust diminishes the perceived risk and vulnerability in a partnership leading to increased customer satisfaction. Just like products, services differ from one another in having distinctive features and benefits.

The uniqueness of a product or service can set it apart from the competition. Features can communicate the capability of a product or service. But features are only valuable if customers see those particular features as valuable. You want products or services with features which customers perceive as valuable benefits. By highlighting benefits in marketing and sales efforts, you'll increase your sales and profits.

It's important to remember that customers buy products and services because they want to solve a problem or meet a need. Consciously or unconsciously, your customers will always be asking the question, —What's in it for me?" Your product and service offerings have to deliver solutions and satisfy needs, or they won't be successful. Given that benefits are ultimately more important to your customers than features, it is imperative that you understand the benefits your products and services provide, emphasize these benefits in your sales efforts, and update your products and services when new or additional benefits are desired by your customers.

### Self-Check -3

### Written Test

**Directions:** Give short answer for the following questions and write your answer on the answer sheet provided.(4 pts each)

1. List the four Key essential ways to build customer relationships tactics.
2. Why do we establish and maintain sound business relationships?
3. List the steps for Success to develop business relationships.

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

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

### Answer sheet

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

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

### Give short answer

1. ....  
.....  
.....
2. ....  
.....  
.....
3. ....  
.....  
.....

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

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

## Information Sheet-4

## Honoring agreements within the scope of individual responsibility

### 4.1 Agreements between businessman and the customers

A consumer is defined as a physical being that takes a legal action that is not affiliated with their personal or professional activity. This means that in everyday cases all of us are consumers. If the case is that there is a sale of goods or services between professionals, it is customary to assume that both sides of the contact are equal, however in the case of a consumer he/she is treated as the legally lesser party and what follows that the better protected one. The businessman allows the customers to use its trademark along with certain business systems and processes in exchange for a fee. Business trainers usually get confused between the concepts of businessman contracts and customers. Although they have much in common, such as they both earn by selling intangibles and are both affiliated with another company, but where a management contract acts as a framework and provides formation and structure to the company and its members.

Contracting with relevant people may include but not limited to:

- ✓ Business owners,
- ✓ Suppliers,
- ✓ Employees,
- ✓ Agents,
- ✓ Land owners,
- ✓ Distributors,
- ✓ Customers or any person with whom the business has, or seeks to have, a performance-based relation.

### 4.2 When should I use a Service Agreement?

**For service providers:** Any time you plan to perform a service for a client and wish to protect your interests and ensure you are compensated accordingly.

**For customers:** Use a Service Agreement whenever you hire a service provider to perform a paid task in order to establish the exact details of the arrangement, including compensation, duties, and confidentiality, if required.

### 4.3 How to create a Service Agreement

- Identify the customer and service provider
- Include contact information for both parties.
- Describe the services being provided

Include an accurate and clear description of exactly what the service provider is going to do for the duration of the agreement. The more detailed your description is, the less chance there will be misunderstandings later. Besides, an accurate description of services gives the customer a clear idea of what to expect and lets the service provider know what is expected of them.

These service contracts guidelines are appropriate for large organizations and will be too detailed and formal for many self-employed, freelance suppliers and small businesses. Adapt the level of detail and formality according to your situation. Contracts and services agreements are essential business tools for professional trading and business relationships. Without clearly defined and agreed contracts, misunderstandings can develop, expectations of client and provider (customer and supplier) fail to match, and all sorts of problems can occur. Having a written contract or agreement between you and your customer can help your customers know what to expect when buying from you and, in the event of problems, protect you from unnecessary losses. Here's what you need to know to write the customer contract and advice on when you need to use it.

The basic template of manufacturing service agreement includes the followings:

1. Definition of Terms.
2. The Products.
3. Purchase Orders.
4. Agreement Period.

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5. Firm Orders and Order Forecasts .
6. Pricing.
7. Delivery.
8. Inspection and Acceptance.
9. Warranty.
10. Product Changes.
11. Payment and Invoices.
12. Payment and Invoices.
13. Cancellation.
14. Force Majeure.
15. Confidentiality and Intellectual Property.
16. Assignment and Subcontracting.
17. Consigned Tooling.
18. Buyer's Warranty and Indemnity.
19. Notices.
20. Miscellaneous.

The basic template of a service agreement includes the followings

1. Heading/Title
2. description/purpose/the service (basically the product/service)
3. Parties (supplier and client including addresses)
4. Date
5. Territory (geographical coverage)
6. Definitions .....essential glossary 'root' of frequently occurring items in the document
7. Term.. period of agreement
8. Pricing (refer if appropriate to attached schedule)
9. Pricing adjustment (for example annual increases linked to suitable index)
10. Responsibilities of provider include or append details of services (service level agreements)
11. Responsibilities of client

12. Payment terms
13. Confidentiality
14. Dispute and arbitration process
15. Termination and force majeure
16. Renegotiation/renewal
17. Prevailing laws
18. Signatures and witnesses

Negotiation techniques May include but not limited to:

- Identification of goals, limits
- Clarification of needs of all parties
- Listening and questioning
- Non-verbal communication techniques
- Appropriate language and situation
- Bargaining
- Developing options
- Appropriate cultural behavior
- Confirming agreements.
- identifying points of agreement and points of difference
- Preparatory research of facts
- Active listening and questioning
- Non-verbal communication techniques.

## Self-Check -4

## Written Test

**Directions:** Answer all the questions listed below. Use the Answer sheet provided in the next page (2 pts each)

1. Which one is not negotiation techniques
  - A. Identification of goals, limits
  - B. Developing options
  - C. Purchase Orders
  - D. Active listening
2. One is the basic template of manufacturing service agreement
  - A. Non-verbal communication techniques.
  - B. Agreement Period
  - C. Preparatory research of facts
  - D. Appropriate cultural behavior
3. One is the way to create a Service Agreement
  - A. Identify the customer and service provider
  - B. Include contact information for both parties.
  - C. Describe the services being provided
  - D. All

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

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

## Answer sheet

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

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

## Multiple choices

- 1.....
2. ....
3. ....

**Note: Satisfactory rating - 3 point Unsatisfactory – below 3 points**

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

## Information Sheet-5

## Nurturing relationships through regular contact and use of effective interpersonal and communication styles

### 5.1 Relationships are nurtured through regular contact and use of effective interpersonal and communication styles.

How do you build relationships?

The followings are the common suggestions

1. Build relationships one at a time.
2. Be friendly and make a connection.
3. Ask people questions.
4. Tell people about yourself.
5. Go places and do things.
6. Accept people the way they are.
7. Assume other people want to form relationships, too.
8. Overcome your fear of rejection.

<b>Self-Check -5</b>	<b>Written Test</b>
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**Directions:** Give short answer for the following questions and write your answer on the answer sheet provided.(4 pts)

1. Discuss the way how you build relationships.

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

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

### Answer sheet

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

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

### Give short answer

1.....  
.....  
.....

**Note: Satisfactory rating - 2 point Unsatisfactory – below 2 points**

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

## List of references materials

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