



Footwear Production LEVEL II

Based on Nov, 2019 V5 OS and Feb, 2020 V1 Curriculum



Module Title: - Developing business practice

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November, 2020



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**LG#47****LO #1- Identify business opportunities and business skills****Instruction sheet**

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

- Concept of paradigm shift and means of divergent thinking
- Strategies to look beyond the boundaries
- Unusual business opportunities
- Feasibility of business skills and personal attributes
- Problems as a pivotal source of business opportunity.
- Feasibility study of specialist and relevant parties
- Impact of emerging or changing technology on business
- Assessing practicability of business opportunity in line with
 - business risks
 - returns
 - personal preferences
 - resources available
- Revising business plan

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

- Concept of paradigm shift and means of divergent thinking
- Strategies to look beyond the boundaries
- Unusual business opportunities
- Feasibility of business skills and personal attributes
- Problems as a pivotal source of business opportunity.
- Feasibility study of specialist and relevant parties
- Impact of emerge or change technology on business
- Assess practicability of business opportunity in line with
 - business risks
 - returns
 - personal preferences
 - resources available
- Revise business plan



Learning Instructions:

Read the specific objectives of this Learning Guide.

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



- If you earned a satisfactory evaluation proceed to “Information Sheet 7”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 6.
- Read the information written in the “Information Sheet 7”.
- Accomplish the “Self-check 7”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- If you earned a satisfactory evaluation proceed to “Information Sheet 8”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 7.
- Read the information written in the “Information Sheet 8”.
- Accomplish the “Self-check 8”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- If you earned a satisfactory evaluation proceed to “Information Sheet 9”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 8.
- Read the information written in the “Information Sheet 9”.
- Accomplish the “Self-check 9”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- If your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 9.



Information Sheet 1 **Concept of paradigm shift and means of divergent thinking**

. The Concept Business Plan

Why is planning?

Before we go into the details part of business plan, it is important that every individual understand the importance of planning for the success of any venture. Planning is the process of setting objectives and devising actions to achieve those objectives, answer the following questions

- ✓ What business am I in?
- ✓ Where can I find needed personnel?
- ✓ What finances do I need?
- ✓ How much profit can I expect?
- ✓ What is my sales strategy?

Planning is a process that never ends for a business. It is extremely important in the early stages of any new venture when the entrepreneur will need to prepare a preliminary business plan. The plan will be finalized as the entrepreneur has a better sense of the market, the product or services to be marketed, the management team, and the financial needs of the venture. As the venture evolves from an early start-up to a mature business, planning will continue as management seeks to meet its short term or long-term business goals. For any given organization, it is possible to find

- Financial plans,
- Marketing plans,
- Human resource plans,
- Production plans, and
- Sales plans.

Plans may be short-term or long-term, or they may be strategic or operational.

Plans will also differ in scope depending on the type of business or the



anticipated size of the start up operation.

What is the Business Plan?

The business plan is the formal written expression of the entrepreneurial vision, describing the strategy and operation of the proposed venture. It is also a loan proposal, venture plan, or investment prospectus. The business plan is a written document that sets out the basic idea underlying a business and related start-up considerations. However, not all business plans are the same because businesses are different, products are different, they are prepared for different reasons and they vary in importance.

- For the entrepreneur starting a new venture, a business plan has four basic objectives:
 - It identifies the nature and the context of the business opportunity why does such an opportunity exist.
 - It presents the approach the entrepreneur plans to take to exploit the opportunity.
 - It identifies the factors that will most likely determine the success of the venture.
 - It serves as a tool to raise financial capital.

A business plan can be viewed as an entrepreneur's game plan; it crystallizes the dreams and hopes that motivates the entrepreneur to start the business. The business plan will represent your vision and goals for the firm and it will reflect what actually happens.

- The business plan should:
 - layout basic idea of the venture,
 - describe where you are now,
 - outline how you propose to get there
 - indicate where you want to go,
 - explain the key variables of success or failure,



The business plan is a bridge between an idea and reality. Without first mentally visualizing the desired end result, the entrepreneur is not likely to see the venture become a reality. The role of the business plan is to provide a clear visualization of what the Entrepreneur intends to do. A business plan may also address major expansion of an existing firm. A business plan can be a response to some changes in the external environment that presents new opportunities. Therefore, writing a business plan should be thought of as ongoing process and as the means to an end product.

Importance of the Business Plan

A business plan is the most essential for starting, building and making business successful. It allows the entrepreneur to exploit the opportunities that arise in the life of business from a start-up to maturity. The major benefits of a sound business plan are discussed below.

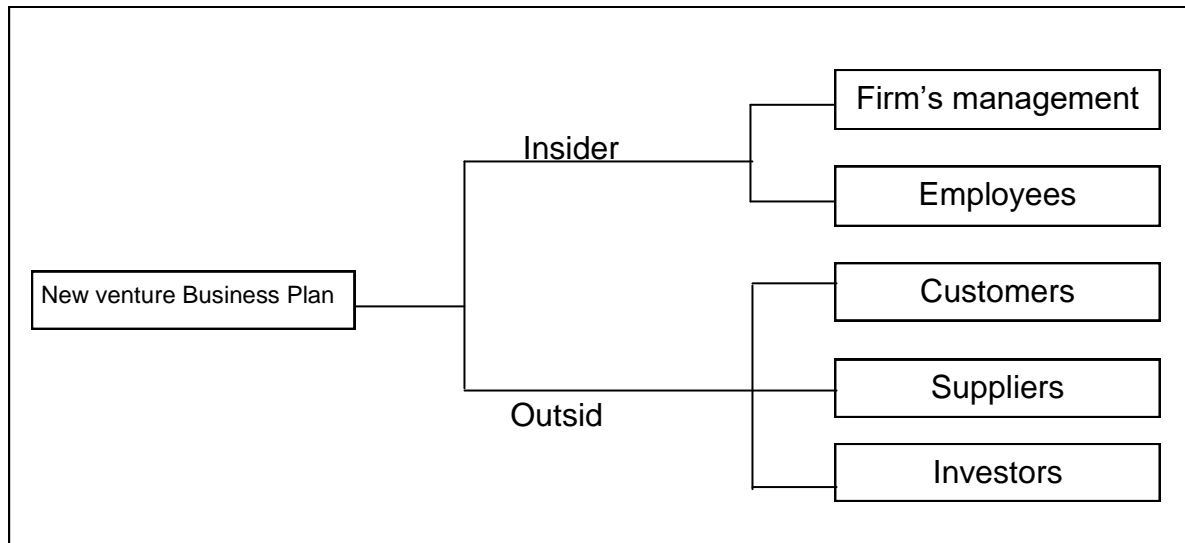
- **Arranging strategic alliance:** strategic alliances are arrangements between large and small companies to carryout joint research, marketing, and other activities. Hence, developing sound business plan will enable an entrepreneur to build a strategic alliance with a larger company then to gain the advantage or benefits from the financial and managerial experience of the larger company.
- **Seeking investment funds:** venture capitalists and investors require a business plan from any company that wants to be taken seriously for funding the venture. Well-designed business plan is the best way to secure finance from different sources.
- **It reduces the anxieties and tension of the entrepreneur.** By projecting the risk of the new venture into the future, the entrepreneur comes to grasps with potential negative outcomes and the possibility of failures. The knowledge that comes from this experience can reduce fear of falling unknown future.
- **Obtaining bank financing:** Banks require a business plan to deserve bank funds for entrepreneurs. Because more business are seeking bank financing than banks have money available, only those business that make the best business plan will receive funds.
- **It helps to obtaining large contract.**

- **Completing mergers and acquisitions:** Whether you want to sell your company or acquire one, a business plan is very important. Your business plan can inspire the confidence essential to complete the deal, i.e. to sell your company or to acquire the other companies.
- **Attracting key employees:** Usually, people doubt about the sustainability of companies during their inspection. Hence, sometimes, it becomes difficult to attract qualified employees into the small business venture. But developing sound business plan will remove the doubts from the mind of potential candidates.
- **Motivating the management team:** A written business plan that is based on input from all members of the company's management team and/or distributed to all managers ensures that everyone understands where the company is headed. The plan serves as a motivational tool by laying out the company's financial, marketing and producing goals.
- **It provides self-assessment of the entrepreneur.** A well-prepared business plan enables an entrepreneur to see whether the business is assured of success. The planning process forces the entrepreneur to bring the objectivity to the idea. The entrepreneur is required to play out various scenarios and consider obstacles that might prevent the venture from succeeding. The act of these scenarios allows the entrepreneur to confront these obstacles and play ways to avoid them.

Users of a Business Plan

A business plan has two primary functions: first, to provide a clearly articulated statement of goals and strategies for internal use and second, to serve as a selling document to be shared with outsiders. The figure below provides an overview of those who might have an interest in a business plan for a new venture

Users of a Business Plan



One main group of users consists of outsiders who are critical to the firm's success: customers, suppliers and investors. The other major group is the internal users of the business plan: the new firm's management and its employees.

➤ ***Internal Users of the Business Plan***

A written plan is essential to ensure systematic coverage of all the important features of a new business. By identifying the variables that can affect the success of the business, the business plan, becomes a model that helps the entrepreneur focus on important issues and activities of the new venture. A business plan should also be effective in selling the new venture to those within the company. It provides a structure for communicating the entrepreneur's mission to the current and prospective employees of the firm.

➤ ***External Users of the Business Plan***

By enhancing a firm's credibility, the business plan can serve as an effective selling tool to use with prospective customers and suppliers, as well as investors. Suppliers, for example, extend trade credit, which is often an important part of a new firm's financial plan. A well-prepared business plan may be helpful in gaining a supplier's trust and securing favorable credit terms. Occasionally, a business plan can improve sales prospects. Both investors and lenders use the business plan to better understand the new venture, the type of product or service it offers, the nature of the market, and the

qualifications of the entrepreneur and the management team. A venture capital firm or other sophisticated investor would not consider investing in a new business before reviewing a properly prepared business plan. The plan can also be extremely helpful in establishing a good relationship for a new firm with banks.

Essentials of a sound business plan

To make persuasive your business plan consider the following points:

- ***Comprehensive:*** the business plan has to fully and completely treat all the major issues facing the new venture. The comprehensiveness enables the entrepreneur to see where trouble might come from and to develop contingent strategies to reduce the effect of problems.
- ***Communicative:*** the business plan is a document for communicating to various audiences the business's concept and potential.
- ***Guidance:*** the business plan sets goals and milestones for the new venture. It layouts the intention of the entrepreneurial team and the values of the founders wish to preserve in their organization. It describes what business we will do, how and where it will be started. Therefore, the business plan can be referred repeatedly to guide decisions of the firm's managers and employees. The business plan should serve as guideline for taking any major decisions.
- ***The planning process/flexible:*** the process of putting together a business plan, consulting it frequently, and reviewing and revising it periodically can improve the venture's performance even through some aspects of the plan may become obsolete before the ink dry. The improvement is brought about collecting information, sharing analysis, developing norms for decision making within the organization, publicity enunciating the values of the organization's leaders, reviewing objectives, and linking theses with actions-all elements of highly effective organizations.



Self-Check 1	Written Test
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Name: _____ **Date:** _____

Instructions:

Short answers

1. What is planning?
2. What is business planning?
3. For the entrepreneur starting a new venture, what is the basic object of business plan?
4. What is the importance of business plan?





Information Sheet 3 **Unusual business opportunities**

To more effectively identify new business opportunities, you have to dig deep and ask lots of questions. Take a step back, and use these questions as a guide to help you create or adapt business strategies to meet the changing needs of your market.

- What frustrates customers or users of this industry? Some of the best ideas come from looking at things that bug you, including not having enough options or selection, not getting the product or service quickly enough, and poor quality.
- What should businesses be making, providing, selling in this industry that many are not yet doing? What do you believe customers will want three to six months from now, one year from now, that they can't find today?
- What have you experienced as a consumer of this industry? How would you do business differently? What would you change based on what you experienced?
- What does everybody think "won't work" in this industry? Asking questions about what others have thought impossible is a great way to get new ideas.

Identification and assessment of Business opportunities

How to identify new business opportunities

Spotting market opportunities is essential for growth and survival. You need to know where to find these opportunities and understand how to take advantage of them.

When you see inefficiency in the market, and if you have an idea of how to correct that inefficiency, and if you have the resources and capability then that could be a very interesting business idea.

In addition, if you see a product or service that is being consumed in one market, that product is not available in your market you could perhaps import that product or service in your market, and start that business in your home country.

You can tap numerous sources for new ideas for businesses. Perhaps the most promising source of ideas for new business comes from customers -- listening to customers. That is something we ought to do continuously, in order to understand what

customers want, where they want it, how they want a product or service supplied, when they want it supplied, and at what price.

You could pursue these ideas by asking yourself some key questions such as, "Is the market real? Is the product or service real? Can I win? What are the risks? And is it worth it?"

The business trends will create both opportunities and threats; you will need to think about how you will prepare your business to adapt to these changes. Ways you might do this include introducing new products, altering prices, changing your marketing methods or adding value to the customer experience.

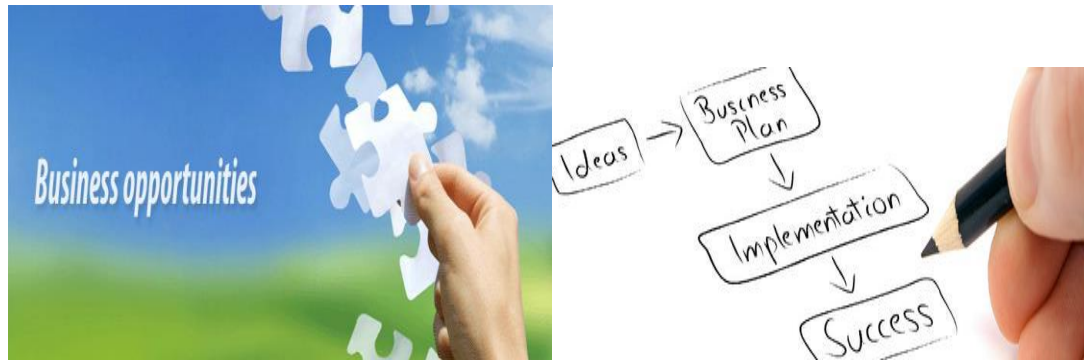
Investigation Business Opportunity

Before investing time and money into a business it is important to have as clear as possible of a picture of what you're getting into. This brief gives the twenty questions I think are most important to make an assessment. These questions can be used:

- By an entrepreneur to see if it's worth his time and money to pursue an idea;
- By an entrepreneur to help in making a presentation to a potential investor; or
- By a potential investor to review and compare investment opportunities

The following model is useful when looking at a business opportunity:

- Technology and/or Idea
- Product or Service
- Company
- Business Model
- Environment



The rest of this paper describes this model and identifies the questions that should be answered in each category.

Technology and/or Idea

At the core of any business sits a technology and/or idea. If the technology is proprietary, all the better. If other companies have the same technology or idea, what makes this company better? Even if you are running a restaurant, you may have proprietary content that is worth protecting just like Coca-Cola has its secret formula. To make an assessment, one should answer the following questions:

1. What are the technology and/or idea?
2. What technologies and/or ideas serve the same market today and will be competitors in the future?
3. Is the technology unique? If so, what are the unique benefits to customers and users?
4. Does the company have any way to protect this technology (trade secrets, patents etc)?



Product or service

Generally it is products and services, not ideas that are sold to customers. If what you're doing is visionary, it may be a big step to go from an idea or technology to a product or service. The following are some questions to be asked:

1. Does a sample of the product or service exist?
2. If a sample exists, what testing has been done to make sure it works as advertised?
3. If a sample exists, what market testing has been done to see if customers will pay for it?
4. Given the current status of the product or service, what investment and time will be required to put it into production?

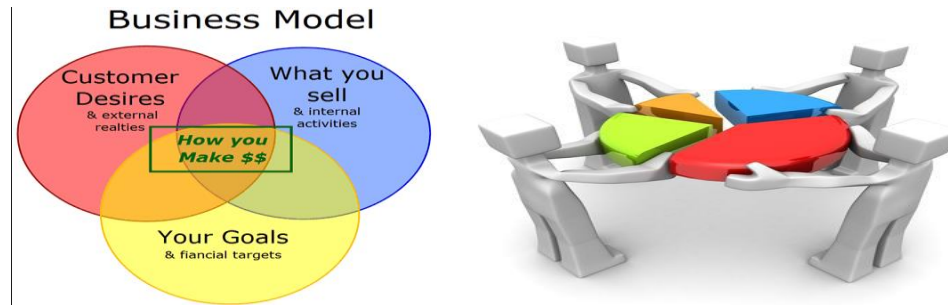
Company

Even if you have a clever idea or technology and have implemented this into a product or service that works and is liked by customers, there must be an organization that will supply this. The key questions are:

1. Who in the company has run a business similar to this in the past?
2. Who will do the marketing for this product and what experience do they have?
3. Who will do the product development and manufacturing of this product or provide the service and what skills do they have?
4. Do the company's financial and development plans look realistic?

Business Model

The business model describes how the company will generate revenues from customers and compete with competitors. It is important to know:



1. What is the pricing for the product or service and how was this pricing determined?
2. What data do you have that substantiates that customers will pay this much for the product or service? What is the margin? What is the breakeven volume?
3. What is your cost for producing this product or service?
4. What are your marketing costs for selling this product?

Environment

The environment for a business consists of customers, competitors and potential safety, regulatory, product liability and pollution concerns. Thus, one should understand:

1. Who are the competitors and what products/services are they currently offer?

2. How big is the market for this product?
3. Who are the customers for this product and what are the characteristics of the purchase decision process?
4. What safety, product liability, environmental, or regulatory issues that may affect this business?

How to Document and Present this Information

The formal way to present the answers to the above questions is in a business plan. There are many books written about business planning.



If you are an entrepreneur pursuing your idea, it is not necessary to prepare a formal business plan. However, it is quite beneficial to write down your answers to all of the above questions before you go far in the venture. This then becomes a useful thing to refer back to as the business develops and you start questioning why you did what you did.

However, the investors and the bankers want to see your business plan. It is probably a prime document for them to decide whether to invest or not in your business



Self-Check 3	Written Test
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Name: _____ **Date:** _____

Instructions:

Write all your answers in the provided answer sheet.

Test: Short Answer Questions

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

1. List any three questions you have to ask to identify the business opportunity. (5 points)
2. Explain business opportunity model. (5 points)
3. What are the best opportunities for the business? (5 points)

Information Sheet 4 **Feasibility of business skills and personal attributes**

Skills relevant to the business

Skill has been defined as the ability to apply knowledge and can be acquired or developed through practice, e.g. flying, driving or swimming. Some examples are listed below:

Technical

- Engineering
- Computing
- Carpentry
- Mechanics
- Catering

Managerial

- Marketing (Selling)
- Financial management
- Organization
- Planning
- Leadership

- ☐ Knowledge and skills are relatively easy to acquire or develop. However, traits take time to develop and are not easily changed or acquired.

Successful entrepreneurship needs only a great idea

Having a great idea is only part of the equation for successful entrepreneurship.

Understanding of the different phases of the entrepreneurial process, taking an organized approach to developing the entrepreneurial venture and coping with the challenges of managing the entrepreneurial venture are also key ingredients to successful entrepreneurship



Information Sheet 5	Problems as a pivotal source of business opportunity
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Information Sheet 6	Feasibility study of specialist and relevant parties
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A feasibility study is a detailed analysis of a company and its operations that is conducted in order to predict the results of a specific future course of action. Small business owners may find it helpful to conduct a feasibility study whenever they anticipate making an important strategic decision. For example, a company might perform a feasibility study to evaluate a proposed change in location, the acquisition of another company, a purchase of major equipment or a new computer system, the introduction of a new product or service, or the hiring of additional employees. In such situations, a feasibility study can help a small business's managers understand the impact of any major changes they might contemplate. It is also called as Business Plan.

1.2.1 Expected financial viability

Practice

1. A Financial viability assessment evaluates the risk that, over the life of a proposed contract, a tendered:

- may not be able to deliver the goods and services which are specified in the contract; or
- May not be able to fulfill guarantees or warranties provided for in the contract.

2. as conducting financial viability assessments imposes a cost on tenderness and the entity; assessments should be commensurate with the scale, scope and relative risk of

the proposed project. The process for viability assessments should be conducted at an appropriate time in the tender process to minimize costs and time for both the entity and the tenderness. Consequently, the timing within a procurement process and the extent of financial viability assessments should be determined on a case by case basis and not mandated on an entity-wide basis.

Assessing Project Financial Viability Risk

The following factors should be considered when assessing project financial viability risk:

- The nature of the goods or services: level of complexity
- Projects involving a complex procurement, such as payroll services and centralized information technology services, are higher risk than simple supplies procurements. More complex, high value and relatively important projects will normally be subject to a formal risk management process. This should include consideration of the need for and scope of financial viability assessment.
- Value of the procurement
- Projects involving large value procurement are generally more risky than that involving small value procurement. However, procurement value should not be used as the sole indicator of project risk.
- In assessing financial viability risk, the value of a procurement within a project should be considered both in the context of relative value to the entity, and in the context of relative value to the likely tenderers or potential suppliers.
- Other factors
 - general economic factors;
 - the tightness of the labor market;
 - levels of demand for the required service;
 - understanding of profit margins in the relevant industry;
 - maturity of the relevant industry; and
 - the capacity of businesses to supply.

1.2.2 Skills relevant to the business

Skill has been defined as the ability to apply knowledge and can be acquired or developed through practice, e.g. flying, driving or swimming. Some examples are listed below:

Technical

- Engineering
- Computing
- Carpentry
- Mechanics
- Catering

Managerial

- Marketing (Selling)
- Financial management
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- Leadership

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1.2.3 Amount and types of finance available

Initial operation payments or working capital

- It will occur after a new business started to operate, to cover immediate expenses until revenues from sales flow back into the business.
- It is invested permanently in the business and is called working capital.
- When the business expands the working capital needs to be increased

- The need for working capital is also often underestimated. Business starters think they will be paid immediately.
- Even if the working capital is underestimated, an entrepreneur may have a flourishing business, but may run out of money to pay salaries, buy additional merchandise for sale, etc.
- It is recommended that a certain percentage is included in the investment capital for unforeseen items.

Sources of Business Financing

There are two common primary sources of business financing:

- 1) Equity capital/equity financing or
- 2) Borrowing capital/credit or debt financing.

Equity financing

It is the money the owner puts or invests into the business. The main sources of equity financing are:

- Personal savings
- Family, relatives and friends
- Partners
- Corporation (sell stock to raise equity capital)
- Financial expert's state that 30% of the money needed to start a small business should come from the owner.
- Potential/future entrepreneurs must work and save to have enough money to start a business.

Credit or debt financing

- Borrowing needed capital for the business.
- Lending institutions must sense that the business owner has a personal commitment and involvement in the business in terms *of the time, energy and money the owner is willing to contribute to the business.*

The main sources of credit or debt financing are:

- Banks,

- Finance companies,
- Governments agencies (with loan schemes),
- Trade credit and
- Microfinance institutions

Factors to be considered by a banker when evaluating a loan applicant

➤ The five C's of credit:

1. Character
2. Capacity
3. Capital
4. Conditions
5. Collateral

Character: the applicant's attitude toward credit will be examined, including his or her past record for meeting financial obligations.

Capacity: the applicant's income will be examined to determine his or her ability to pay back the loan.

Capital: the applicant's personal worth (wealth) will be examined, including savings and any other personal or real property (land, buildings, etc.).

Conditions: the economic conditions of the community, state and region will have an effect on the availability of a loan.

Collateral: whether the entrepreneur has assets to secure the loan, such as real estate (property), receivables, inventory or equipment

- A well-researched and realistic business plan that shows viability of the business
- Business strategy or plan of action which clearly describe how the business will be operated, how much money will be needed and how it will be used, and at what point the business will be profitable.
- Experience or knowledge of perspective business owner in the area of the proposed business.



Different lending institutions have different procedures which have to be followed by the loan applicant. It is necessary to understand the following factors that are taken into consideration when a banker is appraising a loan application.

1. Type of loan
2. Purpose of the loan
3. Credit worthiness and integrity of the borrower
4. Capability
5. Repayment period
6. Security or collateral
7. Guarantors
8. Business plan
9. Customers past financial records

Criteria for evaluating loan sources

To determine the best source for raising capital needed in a particular situation, the following five questions should be considered.

1. Cost: - What are the benefits of a loan in relation to its costs?
2. Risk: - Which loan source exposes the business to the lowest degree of risk?
3. Flexibility: - Will conditions imposed by a loan source reduce flexibility in seeking additional capital, or in using capital generated through operations according to the owner's best judgment?
4. Control: - Could the owner's control of the business be adversely affected? Could the loss of control prevent the entrepreneur from making operating decisions that are in the best interests of the business?
5. Availability: - Which financial sources are available to the business?
6. Weighing Evaluation Criteria: - Every capital source being considered should be evaluated in terms of cost, risk. Flexibility, control and availability.
7. A decision can only be made by the prudent judgment of the owner after assembling and analyzing all relevant facts.

How will the capital be used?



To help determine your money needs, three groups of costs and expenses are examined: start-up costs, operating expenses and personal expenses.

1. Start-up costs: - expenses that occur once only when starting the business. Once your business is started, you may never have these expenses again.
2. Operating expenses: - until there is enough profit to keep the business running, money will be needed for operating expenses.
3. Personal expenses: - these include costs that are necessary for you to live. You need money for personal expenses such as rent payments, food, transportation, insurance, clothing, utilities, medical bills and entertainment.

1.2.4 Returns expected or required by owners

Definition of 'Required Rate of Return'

Definition:

RequiredRateofreturnisthemimumacceptablereturnoninvestmentsoughtbyindividualsor companiesconsideringaninvestmentopportunity.

Description: Investors across the world use the required rate of return to calculate the minimum return they would accept on an investment, after taking into consideration all available options. When calculating the required rate of return, investors look at overall market returns, risk-free rate of return, and volatility of the stock and overall project cost. The required rate of return drives the type of investments that can be made. For instance, someone requiring a higher rate of return would necessarily have to look at riskier investments. Finance professionals routinely calculate the required rate of return for purchasing new equipment, new product rollouts and potential mergers. For example: an investor who can earn 10 per cent every year by investing in US Bonds, would set a required rate of return of 12 per cent for a riskier investment before considering it.

Formula for Required Rate of Return

Required Rate of Return =

Risk Free Rate + Risk Co-efficient (Expected Return - Risk free return)

1.2.5 Likely return on investment

What is Return on Investment (ROI)

Return on Investment (ROI) is a performance measure used to evaluate the efficiency of an investment or compare the efficiency of a number of different investments. ROI tries to directly measure the amount of return on a particular investment, relative to the investment's cost. To calculate ROI, the benefit (or return) of an investment is divided by the cost of the investment. The result is expressed as a percentage or a ratio.

The return on investment formula:

ROI = $\frac{\text{Current Value of Investment} - \text{Cost of Investment}}{\text{Cost of Investment}}$

"Current Value of Investment" refers to the proceeds obtained from the sale of the investment of interest. Because ROI is measured as a percentage, it can be easily compared with returns from other investments, allowing one to measure a variety of types of investments against one another.

BREAKING DOWN Return on Investment (ROI)

ROI is a popular metric because of its versatility and simplicity. Essentially, ROI can be used as a rudimentary gauge of an investment's profitability. This could be the ROI on a stock investment, the ROI a company expects on expanding a factory, or the ROI generated in a real estate transaction. The calculation itself is not too complicated, and it is relatively easy to interpret for its wide range of applications. If an investment's ROI is net positive, it is probably worthwhile. But if other opportunities with higher ROIs are available, these signals can help investors eliminate or select the best options. Likewise, investors should avoid negative ROIs, which imply a net a loss.



For example, suppose Joe invested \$1,000 in Slice Pizza Corp. in 2017 and sold his stock shares for a total of \$1,200 one year later. To calculate his return on his investment, he would divide his profits ($\$1,200 - \$1,000 = \$200$) by the investment cost ($\$1,000$), for a ROI of $\$200/\$1,000$, or 20 percent.

With this information, he could compare his investment in Slice Pizza with his other projects. Suppose Joe also invested \$2,000 in Big-Sale Stores Inc. in 2014 and sold his shares for a total of \$2,800 in 2017. The ROI on Joe's holdings in Big-Sale would be $\$800/\$2,000$, or 40 percent. (See Limitations of ROI below for potential issues arising from contrasting time frames.)

Limitations of ROI

Examples like Joe's (above) reveal some limitations of using ROI, particularly when comparing investments. While the ROI of Joe's second investment was twice that of his first investment, the time between Joe's purchase and sale was one year for his first investment and three years for his second.

Joe could adjust the ROI of his multi-year investment accordingly. Since his total ROI was 40 percent, to obtain his average annual ROI, he could divide 40 percent by 3 to yield 13.33 percent. With this adjustment, it appears that although Joe's second investment earned him more profit, his first investment was actually the more efficient choice.

ROI can be used in conjunction with Rate of Return, which takes in account a project's time frame. One may also use Net Present Value (NPV), which accounts for differences in the value of money over time, due to inflation. The application of NPV when calculating rate of return is often called the Real Rate of Return.

Developments in ROI

Recently, certain investors and businesses have taken an interest in the development of a new form of the ROI metric, called "Social Return on Investment," or SROI. SROI was initially developed in the early 2000s and takes into account broader impacts of projects using extra-financial value (i.e. social and environmental metrics not currently reflected in conventional financial accounts). SROI helps understand the value proposition of

certain ESG (Environmental Social & Governance) criteria used in socially responsible investing (SRI) practices. For instance, a company may undertake to recycle water in its factories and replace its lighting with all LED bulbs. These undertakings have an immediate cost which may negatively impact traditional ROI - however, the net benefit to society and the environment could lead to a positive SROI

There are several other new flavors of ROI that have been developed for particular purposes. Social media statistics ROI pinpoints the effectiveness of social media campaigns - for example how many clicks or likes are generated for a unit of effort. Similarly, marketing statistics ROI tries to identify the return attributable to advertising or marketing campaigns. So-called learning ROI relates to amount of information learned and retained as return on education or skills training. As the world progresses and the economy changes, several other niche forms of ROI are sure to be developed in the future.

1.2.6 Finance required

Finding financing in any economic climate can be challenging, whether you're looking for start-up funds, capital to expand or money to hold on through the tough times. But given our current state of affairs, securing funds is as tough as ever. To help you find the money you need, we've compiled a guide on 10 financing techniques and what you should know when pursuing them.

1. Consider Factoring

Factoring is a finance method where a company sells its receivables at a discount to get cash up-front. It's often used by companies with poor credit or by businesses such as apparel manufacturers, which have to fill orders long before they get paid. However, it's an expensive way to raise funds. Companies selling receivables generally pay a fee that's a percentage of the total amount. If you pay a 2 percent fee to get funds 30 days in advance, it's equivalent to an annual interest rate of about 24 percent. For that reason, the business has gotten a bad reputation over the years. That said, the economic downturn has forced companies to look to alternative financing methods and companies like The Receivables Exchange are trying to make factoring more competitive. The exchange allows companies to offer their receivables to dozens of



factoring companies at once, along with hedge funds, banks, and other finance companies. These lenders will bid on the invoices, which can be sold in a bundle or one at a time.

2. Get a Bank Loan

Lending standards have gotten much stricter, but banks such as J.P. Morgan Chase and Bank of America have earmarked additional funds for small business lending. So why not apply?

3. Use a Credit Card

Using a credit card to fund your business is some serious risky business. Fall behind on your payment and your credit score gets whacked. Pay just the minimum each month and you could create a hole you'll never get out of. However, used responsibly, a credit card can get you out of the occasional jam and even extend your accounts payable period to shore up your cash flow.

4. Tap into Your 401(k)

If you're unemployed and thinking about starting your own business, those funds you've accumulated in your 401(k) over the years can look pretty tempting. And thanks to provisions in the tax code, you actually can tap into them without penalty if you follow the right steps. The steps are simple enough, but legally complex, so you'll need someone with experience setting up a C corporation and the appropriate retirement plan to roll your retirement assets into. Remember that you're investing your retirement funds, which means if things don't pan out, not only do you lose your business, but your nest egg, too.

5. Try Crowd funding

A crowd funding site like Kickstarter.com can be a fun and effective way to raise money for a relatively low cost, creative project. You'll set a goal for how money you'd like to raise over a period of time, say, \$1,500 over 40 days. Your friends, family, and strangers then use the site to pledge money. Kick starter has funded roughly 1,000 projects, from rock albums to documentary films since its launch last year. But keep in mind, this isn't about long-term funding. Rather, it's supposed to facilitate the asking for and giving of support for single, one-off ideas. Usually, project-creators offer incentives for pledging,

such as if you give a writer \$15, you'll get a book in return. There's no long-term return on investment for supporters and not even the ability to write off donations for tax purposes. Still, that hasn't stopped close to 100,000 people from pledging to kick starter projects.

6. Pledge Some of Your Future Earnings

Young, ambitious and willing to make a bet on your future earnings? Consider how Kjerstin Erickson, Saul Garlick and Jon Gosier are trying to raise money. Through an online marketplace called the Thrust Fund, the three have offered up a percentage of their future lifetime earnings in exchange for upfront, undesignated venture funding. Erickson is willing to swap 6 percent of her future lifetime earnings for \$600,000. The other two entrepreneurs are each offering 3 percent of future earnings for \$300,000. Beware: the legality and enforceability of these "personal investment contracts" have yet to be established.

7. Attract an Angel Investor

When pitching an angel investor, all the old rules still apply: be succinct, avoid jargon, have an exit strategy. But the economic turmoil of the last few years has made a complicated game even trickier. Here are some tips to win over angel interest:

Add experience: Seeing some gray hair on your management team will help ease investors' fears about your company's ability to deal with a tough economy. Even an unpaid, but highly experienced adviser could add to your credibility.

Don't be a fad-follower: Did you start your company because you are truly passionate about your idea or because you want to cash in on the latest trend? Angels can spot the difference and won't give much attention to those whose companies are essentially get-rich-quick schemes.

Know your stuff: You'll need market assessments, competitive analysis and solid marketing and sales plan if you expect to get anywhere with an angel. Even young companies need to demonstrate an expert knowledge of the market they are about to enter as well as the discipline to follow through with their game plan.



Keep in touch: An angel may not be interested in your business right away, especially if you don't have a track record as a successful entrepreneur. To combat that, you should formulate a way to keep them in the loop on big developments, like a major sale.

8. Secure an SBA Loan

With banks reluctant to take any chances with their own money in the wake of the credit crisis, loans guaranteed by the U.S. Small Business Administration have become a hot commodity. Indeed, funds to support special breaks on fees and guarantees on SBA-backed loans have run out a number of times. And while SBA-backed loans are open to any small business, there are a number of qualifications, including:

Under law, the SBA can't guarantee loans to businesses that can obtain the money they need on their own. So you have to apply for a loan on your own from a bank or other financial institution and be turned down.

In order to qualify as a small business, your firm needs to meet the government's definition of a small business for your industry.

Your business may need to meet other criteria depending on the type of loan.

After determining that your business meets the qualifications, you need to apply for a commercial loan from a financial company that processes SBA loans since the SBA doesn't provide loans directly. The bank's qualifications can be more stringent.

9. Raise Money from Your Family and Friends

Hitting up family and friends is the most common way to finance a start-up. But when you turn loved ones into creditors, you're risking their financial future and jeopardizing important personal relationships. A classic mistake is approaching friends and family before a formal business plan is even in place. To avoid it, you should supply formal financial projections, as well as an evidence-based assessment of when your loved ones will see their money again. This should reduce the likelihood of unpleasant surprises. It also lets your investors know you take their money seriously. You also need to seriously consider how the arrangement will be structured. Are you offering equity? Or will this be a loan? Perhaps most importantly, you need to emphasize the risk involved. Offer up a strong business plan, but remind them there is a good chance their money



will be lost. It's better to mention that upfront to Aunt Gladys rather than over Thanksgiving dinner.

10. Get a Microloan

The lack of a credit history, collateral or the inability to secure a loan through a bank doesn't mean no one will lend to you. One option would be to apply for a microloan, a small business loan ranging from \$500 to \$35,000. Microloans are often so small that commercial banks can't be bothered lending the funds. Instead of a bank, you need to turn to a microlender, a non-profit organization that works differently than banks. Microlenders offer smaller loan sizes, usually require less documentation than banks, and often apply more flexible underwriting criteria. There are a few hundred microlenders throughout the U.S. and they often charge slightly higher interest rates for loans than banks. "Microloans are really for that startup entrepreneur or an entrepreneur in an existing business facing a capital gap who needs to secure capital for new equipment or to service a contract," says Connie Evans, president and CEO of AEO, which represents 400 mostly non-profit micro lenders and microenterprise organizations.

1.2.7 Life style issue

Self-Check 6	Written Test
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Name: _____ Date: _____

Instructions:

Write all your answers in the provided answer sheet.

Test: Short Answer Questions



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

1. What is a feasibility study? (5 points)
2. What are the two criteria to judge feasibility? (5 points)
3. In Economic feasibility, cost and benefit factors can be identified. What is the category of those costs? (5 points)

Test II: Multiple Choices

Directions:

- There are five [5] questions in Test II. Select the best answer for each question and write only the letter that corresponds to your answer in the provided answer sheet.
- A correct answer scores 1 point and an incorrect answer scores 0 point. No marks will be given for a question if more than one answer is supplied.

Start here:

1. What is the main objective of feasibility study?
 - A. To determine whether a certain plan of action is feasible
 - B. To showing the outcomes of specific actions
 - C. To review a company's strengths and weaknesses



D. All

2. Feasibility studies precede technical development and project implementation.

A. True B. False

3. Which one of the following is not part of feasibility study?

A. Technical

B. Legal

C. Economic

D. Operation

E. None

4. In writing feasibility the things considered is:

A. Brief description of the business

B. The part of the business being examined

C. The human and economic factor

D. The possible solutions to the problems

E. All

5. _____ is a measure of how well a proposed system solves the problems, and takes advantage of the opportunities identified during scope definition.



- A. Legal feasibility
- B. Operational feasibility
- C. Schedule feasibility
- D. None

Information Sheet 7 Impact of emerging or changing technology on business

We can see different aspects of our lives changing due to improvement in technologies. Business is the most important topic in this context. What was once driven by the merit of individuals and capitalist economy, has since adapted with these emerging technologies. If we take some time and look back, we can see how businesses evolved over the course of time. Today every business depends on some sort different technologies. This is due to the fact that technology advances have made many tasks not only feasible but also optimal.

Many people may find technology not so much of bliss. Due to rapid improvements, emerging technologies keep shaping our life in a lot of ways many of which we may not find pleasant. As a human, we are always going to think that the old days were better. But if we look closely without biasing our thoughts, we can see why technology plays such a vital element in modern society. If we just concentrate on the fact that, why do we keep depending on it? We will find our answers.

Why Do We Keep Depending on Technology

Let's look at a quite simple example. How many of us use the mail service these days? Not unsurprisingly, most people tend to not use it for day to day tasks anymore. Only when one of us needs something from overseas or any other source whose only service is postal mail, we look back at mail services. What was once the most used service for communication around the globe has been replaced with E-mail. This is a subtle change. Most young people of this generation don't even have much knowledge about it



anymore. This is because email service is so much easier and convenient to use. Electronic mail not only saves us time, but also it cuts service cost.

The principle target for any business is to bring in the most profit possible. Reducing cost is one of the best ways to ensure a high profit. From the example given above, how much cost do you think email reduces? As it turns out, communication is a must for any business to be successful. And by converting to email every business can potentially cut their communication cost to a bare minimum. So eventually the email service, which was an emerging technology in the 90's, has become the de facto communication service replacing the much older postal service.

How Technology Based Businesses Become Digital Leaders

Now, let us focus our attention to successful businesses. What is the biggest business organization on globe? Apart from governmentally run military industries, the fortune 100 or 500 companies are the biggest. These are the companies that have earned a fortune running their businesses, thus creating a whole new concept of organization. As you might guess, the top members of this group include **Google, Microsoft** and **Face book**. What do they have in common? They are all organizations whose service is based upon technology. If you know a little something about business, you might know these companies are not hundreds of years old. But they did manage to overthrow lots of age old businesses in revenue. So, how did they manage to do it?

As it turns out, the whole concept of profit depends on certain key factors. These includes potential domain of service, customer demand, manufacturing cost and scalability. Now, let us discuss where these tech companies beat other organizations. Think about manufacturing costs. An arms business or a car business has to put a lot of manufacturing cost for bringing their product to market. No matter how much they sell the final product, they have to calculate the profit after negating those manufacturing costs. Whereas companies based on technology have an upper hand in this regard. We wouldn't even see Google, if **Sergey Brin** or **Larry Page** had to invest millions of dollar for their company in the first place. They opened their company in a garage!

The point here is that most big tech companies didn't have financial backing when they started. Which is the first necessity for any other business? These companies created a

service, showed the world why that service was necessary and voilà! They were earning millions of revenues over night.

Impact of Emerging Technologies on Business

In recent years, the west has been facing a serious problem with manpower. As it turns out, if majority of your country is educated and have good jobs then who's going to work in the factories? But we need manual labors for running the society also. Thus emerged the technology of robotics. Every European mills and factories nowadays relies heavily on automated services for production. These has made products identical in quality and production much feasible.

Technology can impact on a business heavily. In recent times there has been an influx of independent businesses whose main product is based on a particular idea. These are known as startups. They are the forerunner when it comes to accept emerging technologies. And the fact that startups have become a hype, proves that impact.

The main point we are trying to deduce is how emerging technologies affect us. There is a rapid movement in technology and newer technologies are emerging every day. Not every technology is going to stick. Some of them are going to fail. But those who last, will make our business much easier and convenient. Its not that the impacts of technology are only positive. There remain some debacles regarding the negative effects of relying too much on technology. As it has been pointed in various studies, offices are now overwhelmed with different techs. Some of them are emerging, others are old. The relation between employees have been found to be weak due to heavy influence of technology. But as a businessman, you can not hope for everything solved by technologies. Of course, they've their limitations and negatives. But if you want to have a successful business, you need to get rid of that orthodox mentality and embrace these emerging techs as they happen to change the way you operate.

Technology has revolutionized the way companies conduct business by enabling small businesses to level the playing field with larger organizations. Small businesses use an array of tech – everything from servers to mobile devices – to develop competitive

advantages in the economic marketplace. Small business owners should consider implementing technology in their planning process for streamlined integration and to make room for future expansion. This allows owners to create operations using the most effective technology available. Small businesses rely on technology to help them operate on a daily basis. From laptop computers with Internet capabilities to printers, online file storage and Web-based applications, technological advances impact small businesses across various industries. Technology has the potential to affect small business in positive and adverse ways, depending on the goals a business has in place, the products they chose to use, and how well entrepreneurs and their employees adapt to new systems

Self-Check 7	Written Test
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Name: _____ **Date:** _____

Instructions:

Short Answer questions

1. What are many people find?
2. Why we do depending on technology?
3. What is the principle target of any business?
4. What is the best way to ensure the profit?
5. What are the key factors of profits?

Information Sheet 8 Assessing practicability of business opportunity in line with

- 1.8.5. business risks
- 1.8.6. returns
- 1.8.7. personal preferences
- 1.8.8. resources available

What is a Business Opportunity?

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

Identifying Business Opportunities

- ❖ 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.

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.

Ideas and opportunities need to be screened and assessed for viability once they have been identified.

A good business opportunity should take into account:

- ✓ **Industry and market**
- ✓ **Length of the 'window of opportunity'**

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.

- ✓ **Personal goals and competencies of the entrepreneur**
- ✓ **Management team**
- ✓ **Competition**
- ✓ **Capital, technology and other resource requirements**
- ✓ **Business environment (political, economic, legal, government regulations etc.**

Self-Check 8	Written Test
---------------------	---------------------

Name: _____ Date: _____



Instructions:

Short Answer questions

1. What is business opportunity?
2. What are the characteristics of successful enterpriser?
3. What are the characteristic of good business opportunity?
4. What are good business opportunities should take into account?

Information Sheet 9 **Revising business plan**

A **business plan** is a formal statement of a set of business goals, feasibility of achieving those goals, and the plan for reaching those goals. It may also contain background information about the organization and about the team attempting to reach those goals. Business plans may also target changes in perception and branding by the customer, client, or larger community. When the existing business is to assume a major change or when planning a new venture, a 3 to 5 year business plan is required, since investors will look for their annual return in that timeframe.

Business plans may be internally or externally focused. Externally focused plans target goals that are important to external stakeholders, like investors and lenders. They typically have detailed information about the organization or team attempting to reach the goals.

Internally focused business plans target intermediate goals required to reach the external goals. They may cover the development of a new product, a new service, a new IT system, a restructuring of finance, the refurbishing of a factory or a restructuring of the organization. Business plans that identify and target internal goals, are also called strategic plans.

Operational plans describe the goals of an internal organization, working group or department. Project plans, sometimes known as project frameworks, describe the goals of a particular project. They may also address the project's place within the organization's larger strategic goals.

Business plans are decision-making tools. There is no fixed content for a business plan. Rather the content and format of the business plan is determined by the goals and audience. A business plan represents all aspects of business planning process declaring vision and strategy alongside sub-plans to cover marketing, finance, operations, human resources.

Preparing a business plan draws on a wide range of knowledge from many different business disciplines: finance, human resource management, intellectual property management, supply chain management, operations management, and marketing, among others. It can be helpful to view the business plan as a collection of sub-plans, one for each of the main business disciplines.

"... a good business plan can help to make a good business credible, understandable, and attractive to someone who is unfamiliar with the business.

Writing a good business plan can't guarantee success, but it can go a long way toward reducing the odds of failure."

Presentation formats

The format of a business plan depends on its presentation context. It is not uncommon for businesses, especially start-ups to have three or four formats for the same business plan:

- An "elevator pitch" - a three minute summary of the business plan's executive summary. This is often used as a teaser to awaken the interest of potential funders, customers, or strategic partners.
- an oral presentation - a hopefully entertaining slide show and oral narrative that is meant to trigger discussion and interest potential investors in reading the written presentation. The content of the presentation is usually limited to the executive summary and a few key graphs showing financial trends and key decision making benchmarks. If a new product is being proposed, a demonstration of the product may also be included.
- A written presentation for external stakeholders - a detailed, well written, and pleasingly formatted plan targeted at external stakeholders like investors.
- An internal operational plan - a detailed plan describing planning details that are needed by management but may not be of interest to external stakeholders.

Typical structure for a business plan for a start up venture

- Cover page and table of contents
- Executive summary
- Business description
- Business environment analysis
- Industry background
- Competitor analysis
- Market analysis
- Marketing plan
- Operations plan
- Management summary
- Financial plan
- Attachments and milestones

Self check 9	Written test
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Name: _____

Date: _____

Instructions:

Write all your answers in the provided answer sheet pages 10 & 11

Test I: Short Answer Questions

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

1. Business plans may be internally or externally focused. The external stakeholders include _____ and _____. (3points)
2. What is strategic plan? (3points)
3. Write typical structure for a business plan for a start up venture. (5points)



4. The format of a business plan depends on its presentation context.

Mention the formats and contents in each format. (4points)

Test II: Multiple Choice

Directions:

There are five [5] questions in Test II. Select the best answer for each question and write only the letter that corresponds to your answer in the provided answer sheet.

A correct answer scores 1 point and an incorrect answer scores 0 point. No marks will be given for a question if more than one answer is supplied.

Start here:

1. _____ is a formal statement of a set of business goals, the reasons they are believed attainable, and the plan for reaching those goals.

- | | |
|---------------------|------------------|
| A. Strategic plan | C. Business plan |
| B. Operational plan | D. Action plan |

2. Internally focused business plans target intermediate goals required to reach the external goals. They may cover:

- A. The development of a new product
- B. A new service
- C. A new IT system
- D. A restructuring of finance
- E. All

3. _____ describe the goals of an internal organization, working group or department.

- | | |
|---------------------|------------------|
| A. Strategic plan | C. Business plan |
| B. Operational plan | D. Action plan |

4. A business plan represents all aspects of business planning process declaring vision and strategy alongside sub-plans to cover one of the following.



- A. Marketing C. Human resources as well as a legal plan
B. Finance D. All

5. _____ is a detailed plan describing planning details that are needed by management but may not be of interest to external stakeholders.

- A. Internal operational plan C. Elevator pitch
B. Oral presentation D. None

LG#48

LO #2- Plan for the establishment of business operation

Instruction sheet

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

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

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

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

Learning Instructions:

Read the specific objectives of this Learning Guide.

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



Information Sheet 1 **Determining and documenting organizational structure and operations**

Documentation and Recording

Why Good Documentation is essential?

An essential part of the quality assurance system and should exist for all aspects of GMP (Good Manufacturing Practice). Good documentation practice is an expected practice!

Correct, **c**omplete, **c**urrent, and **c**onsistent information effectively meet customer and stakeholder' requirements.

What constitutes Good Documentation?

- ☐ Approve, review and update documents
- ☐ Changes & current revision status of documents identified
- ☐ Relevant versions of applicable documents available at points of use
- ☐ Documents remain legible and readily identifiable
- ☐ Documents of external origin identified and their distribution controlled
- ☐ Prevent unintended use of obsolete documents.

Observations on poor documentation practices

- ☐ Document error correction not signed/dated, and didn't include a reason for the correction

- ☐ Write-over, multiple line-through and use of "White-out" or other masking
- ☐ Sample sequence table and audit trail not documented (if its not documented, it didn't happen)
- ☐ SOP related to production, calibration, storage and maintenance not authorized by the QA head
- ☐ The delegation for the batch release, in case of absence of the QA manager, not recorded / documented
- ☐ Out-of-specification (OOS) procedure not detailed enough; flow chart and /or check-list not available.

Key Documents

The following documents are integral to the implementation of this continuous improvement policy and will need to be reviewed, and may need to be updated when improvements are implemented:

- ☐ Quality Assurance Manual
- ☐ Continuous Improvement Matrix
- ☐ Continuous Improvement Register
- ☐ Delivery and assessment strategies for individual qualifications and/or units of competence
- ☐ Risk Analysis matrix
- ☐ Occupational Health and Safety policy document
- ☐ Staff development plan
- ☐ Facilities and equipment plan
- ☐ Strategic Plan
- ☐ Internal audit records
- ☐ Employee Induction form

Document Referencing

Continuous improvement documents by their nature should be regularly updated. Any documentation referred to in these policies will be stored with the document title and



then the year, month and day date to allow referral to the most recent version of the document (ie YYYY/ MM/DD).

Self-Check 1	Written Test
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Name: _____

Date: _____

Instructions:

Write all your answers in the provided answer sheet on page 27.

Test: Short Answer Questions

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

1. What is “4 C” information? (2 points)
2. What constitutes Good Documentation process? (4 points)
3. What are key documents should be maintained? (4 points)

Information Sheet 2 Developing and documenting procedures

Each business has to follow certain procedure of business process in order sustain and grow. Operating procedures are nothing but, guidelines as to how a particular task has to be done. There are certain steps involved of creating operating procedures, which are:

1. Write an introduction that explains the purpose of the business operating procedures manual. Describe what the manual contains and how it can help staff members to carry out operating procedures correctly. Provide suggestions for the best ways to use the manual.

1. Identify the various activities for which operating procedures need to be written. Break those activities into minor actions and list out the procedures to be followed to complete each of those actions. For instance, there can be an operating procedure for applying for leave of absence or closing the store for the evening etc.

2. List the process involved to complete the task. For example to properly close a store, you may instruct employees to "Step 1: Fold or hang any disorganized merchandise.



Step 2: Check the locks on all entrances into the premises.” Use descriptive words to easily explain the steps.

3. Identify a scope for the standard operating procedures. You may have a special set of instructions for managers and another for entry-level employees. Make sure the instructions are appropriate for the employees' role in the organization.

4. Inform managers of the standard operating procedures and see they understand the steps outlined. Managers are the ones who will most likely see these procedures are followed and need to understand the importance of the rules.

5. Periodical reviews the standard operating procedures and make updates. Listen to input from staff and adjust the guidelines to make them effective.

6. Compile the manual. Give it a name label, followed by a table of contents listing the procedures covered in the manual. Compile all of the documents, in the correct order, in a folder or binder. Keep it in a specific place where your staff has access to it.

7. Writing standard operating procedures takes clear communication skills and knowledge of all the tasks that are to be complete.

Benefits of Operating Procedure:

Concise standard operating procedures can help employees perform their jobs more effectively. Writing the basic steps that guide tasks within your business can also boost the bottom line and improve customer service. Standard Operating Procedures, also known as SOP, also help ease any tension among your employees. Managers have clear guidelines on which to evaluate workers, and employees know the company's expectations.

Self check 2	Written test
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Name: _____

Date: _____

Instructions:

Write all your answers in the provided answer sheet pages provided 15

Test: Short Answer Questions

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

1. Write down the steps involved in preparing operating procedure manual?
(5 points)
2. What are the benefits of writing down operating procedures (3 points)
3. What is SOP? (2 points)

Information Sheet 3

Securing financial backing

Financial Security

Entrepreneurs may have concerns about staying open, providing continuing work for their employees and growing their businesses. There are ways in which the business owners can to build financial security. It is important to have a solid business and financial plan, which will help business be more successful. These apart there are other specific actions that can be taken to build financial security.

Build an Emergency Fund

A small business should be working towards building an emergency fund of at a least a year's worth of operating costs. This fund can help at a difficult time like delay in collecting money from clients or when business slows down due to the economy. An emergency fund will also prevent borrowing money and save the interest outflow – a drain on the business profit.

Get Out of Debt

Many businesses have a revolving line of credit through their bank. They draw on this on a regular basis for payroll, to pay for supplies and to fund the labor for large orders that



will not be paid for until it is complete. To avoid the interest outflow, focus should be on finding ways to fund ventures with cash, and pay off all the debt as quickly as possible.

Grow Slowly

It is important to actively work to grow the business. This will help to stay profitable. More customers mean that a higher stream of income sources which create more solid financial future. However, growing too rapidly may create management issues, forcing the business to close some units. In the same way, it may also increase the debts. The debts beyond a limit may force the unit in to financial distress.

Insurance

The assets of the company have to be insured, against theft, fire, flood etc.

Similarly insurance should be taken against third party liability due to accidents, death etc.

Do things by the book.

One of the best ways to avoid a financial meltdown or lawsuit is to do everything by the book. Business bank accounts should be separated from personal funds.

The business fund should not be spent on personal needs. Taxes should be paid on due date and revenue and profit should be declared honestly in order to avoid penalty etc.

Spend less than the earning

Many firms go under because their overheads outweigh their income. It is the golden rule of financing not to spend more money than earn. An accountant or financial software should be able to track all payments and revenue, create a budget. Stick to the budget on expenditure.

Self check 3	Written test
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Name: _____

Date: _____

Instructions:

Write all your answers in the provided answer sheet page 27.



Test I: Short Answer Questions

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

1. List out ways of achieving financial security? (5 points)

Test II: Multiple Choice

Directions:

- There are five [5] questions in Test II. Select the best answer for each question and write only the letter that corresponds to your answer in the provided answer sheet.
- A correct answer scores 1 point and an incorrect answer scores 0 point. No marks will be given for a question if more than one answer is supplied.

(1) ----- of at a least a year's worth of operating costs.

(2) Paying off all the debts quickly and doing business on cash basis is safer.-True or False

(3) To protect from theft, fire, flood the assets have to be -----

(4) Spend less than earning is wise business decision – True or False

(5) Business money can be used for the private purpose - True or False



Information Sheet 4 **Business legal and regulatory requirements**

To operate a business legally one needs to meet all the laws for operating a business in the country and local community. Business has to comply with numerous local, state and federal laws and regulations. It is worth the time, to research the laws and regulations carefully - or talk to a business advisor – to avoid penalties and other serious consequences.

The small businesses have to understand the legal requirements related to the following areas.

Permits & Licenses for conducting business

Taxes - Sales Tax (VAT, GST), Income tax etc.

Insurance

Environmental Issues – Permission from pollution control authorities etc.

Workplace Safety – Rules of labor and other departments regarding work place safety

Workers' Compensation- Laws governing worker's compensation – like termination, accidents, retirement etc.

Wages, Hours & Benefits- Laws governing wages, salaries, working hours, bonus ,Social security etc.



Going Public– Laws and rules related to Issuing Public Shares, changing ownership etc.

Permits and Licenses

When starting a business in an area, one should be aware of local laws. It is important to contact the village, town, or city authorities of the location. Examples of local considerations are, license to start the business, license to get water, electricity and other amenities,, parking, regulations regarding the boards and other display, license to run some professions like electricians, plumbers, dentist etc.

Patents and copyright:

Business may want to trademark business name and/or logo. Patents, Copy rights, and Trademarks acts in various countries to protect the business interest.

Taxes

Small business owners have to pay taxes and to eliminate unwelcome surprises, it is wise to learn about them before you have to pay a penalty. The law relating to income tax, sales and other value added taxes should be adhered fully. Small business should maintain records of all transactions and should be submitted to the respective authorities, periodically.

Insurance

Business Insurance. Fire insurance, property insurance, accident insurance, etc. are the some of the vital insurance that any business is advised to cover, with or without any compulsion from the local laws . In some cases health insurance for the employees, social security at the time of the retirement of the employees, are required by the law, in various countries.

Environmental Issues

The laws related to environmental protection are getting stricter by the day in almost every county. Pollution has become international issue now. All businesses have to comply with the rules relating to waste water discharges, carbon and other chemical emission etc.

It is worth look at the Proclamation No. 300/2002 Environmental Pollution Control in Ethiopia

Under “Management of Hazardous Waste, Chemical and Radioactive

Substance” the following rules are stipulated, which every business house should adhere to:

- 1) The generation, keeping, storage, transportation, treatment or disposal of any hazardous waste without a permit from the Authority or the relevant regional environmental agency is prohibited.
- 2) Any person engaged in the collection, recycling, transportation, treatment or disposal of any hazardous waste shall take appropriate precaution to prevent any damage to the environment or to human health or well-being.
- 3) The importation, mining, processing, keeping, distribution, storage, transportation or use of radioactive substances shall be subject to a permit from the competent agency.
- 4) The importation, preparation, keeping, distribution, storage, transportation or use of a chemical categorized as hazardous or of restricted use, shall be subject to a permit from the Authority or the relevant regional environmental agency or from any other competent agency.
- 5) Any person engaged in the preparation, production, manufacturing or transportation or in trading in any hazardous or restricted chemical may ensure that the chemical is registered, packed and labeled as per the applicable standards.

Work place safety

The laws relating to protecting the employees from the exposure to hazardous materials also have to be complied with. Rules regarding employing the differently baled persons, child labor rules, minorities employment rules etc. have to judiciously followed.

Workers’ Compensation

There are rules in many countries, regarding how to compensate the employees, in case of retrenchment, in case of death or accident while at work etc. have to adhere. There are rules to compensate the workers regarding lay-off, shut down of the factories etc.

Wages, Hours and Benefits

Business owners need to comply with laws that relate to wages, the hours of work, bonus rules, overtime wages etc. Adopting these rules and regulations help the business to retain the employees and also do business peacefully.

Law relating to Business forms



A business may be a sole proprietorship or partnership or private or public limited company. For each of the above forms there specific laws in various countries to protect the business as well the societal interest.

Going Public

When the company needs additional capital, "going public" may be the right choice, but should weigh options carefully. If company is in the very early stages of development, it may be better to seek loans from financial institutions. The act relating to Securities (shares, debentures etc) in various counties requires companies to give investors "full disclosure" of all "material facts,".

Laws relating to Export and Import

Globalization has made international trade more essential than ever for many businesses. There are several international and local laws, govern the international trade.

Licenses

The business has to get required license from the appropriate authorities to make import or export.

With regard to import and export apart from local laws there are international rules which are governing the international trade. There are rules regarding documents and procedures.

Shipping Documents

- **Commercial Invoice**

This document is required for exporting and includes all the terms of sale. The commercial invoice must conform exactly to letters of credit, including misspellings and foreign languages. Product descriptions, prices, weights and other information must follow requirements specified by the target country.

- **Bill of Lading**

Shipping companies or freight forwarders usually provide a bill of lading.



- **Insurance**

Exporters need these certificates if the terms of sale include cost, insurance and freight (CIF).

- **Certificates of Origin**

These are official documents that many Arab and Latin American countries require. Consulates generally sell the forms, which are then filled out in the language stipulated. For an additional fee, the consul stamps them to make them legal documents.

- **Certificates of inspection**

These consist of either an affidavit or a certificate from an official government agency or independent inspection company.

- **Dock Receipts**

These are necessary when the exporter is not directly responsible for transporting goods to a foreign destination or otherwise needs to prove that the goods have been delivered to a port for further disposition by the importer.

- **Shipper's Export Declaration (SED)**

Exporters may be required to file a SED when taking commercial goods out of the United States.

Self check 4	Written test
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Name: _____

Date: _____

Instructions:

Write all your answers in the provided answer sheet pages 35.

Test : Short Answer Questions

Directions: Answer all the questions listed below. Examples may be necessary



to aid some explanations/answers.

1. What are the various legal requirements that small business should be aware of? (5 points)
2. State how the pollutions are controlled according to the federal democratic republic of Ethiopian proclamation of environmental pollution control. (5 points)
3. State various shipping documents required for exports? (5 points)

Information Sheet 5 **Determining human and physical resources**

While implementing strategies, the scarce resources of a firm such as financial, physical, human, and technological need to be allocated carefully, according to a plan.

All organizations have at least four types of resources that can be used to achieve desired objectives: financial resources, physical resources, human resources, and technological resources.

In allocation of resources one can follow a top down or a bottom up approach. In a top down approach resources are allocated through a process of segregation down to the operating levels. The Board of Directors, Managing Director, the

Owner and other members of the top management typically decide the requirements of each sub-unit and distribute resources accordingly. In the bottom up approach resources are distributed after a process of aggregation from the operating level. A mix of these two may also be found in many organisations.

The process of resource allocation is called “budgeting of resources”



Budget: Based on certain assumptions, the departmental heads and functional managers focus their efforts on allocating funds, through an interactive exercise – taking the opinions of all those who matter most.

The external influences and their likely impact and the internal capabilities of a firm also to be kept mind in this joint budgeting effort hence it is named as ‘Allocation of resources budget’.

Capital budget: The primary purpose of capital budget is to maximize the long term profitability of a firm while deploying resources. Various techniques like internal rate of return, payback period, and net present value are used to assess expected rate of return and allocate the capital based on maximum return.

Performance Budget: Here the basic purpose is to focus attention on the work to be carried out, services to be rendered rather than things to be spent for or acquired. It concentrates attention on physical aspects of achievement. It takes a systems view of activities to try and associate the inputs of the expenditure with the output of accomplishment in terms of services, benefits etc.

Zero based budget (ZBB): Instead of taking the last year’s budgets and adjusting them for finding out the future level of activity and preparation of budget

There from, the ZBB forces managers to review the current, on-going objectives and operations. ZBB is therefore a type of budget that requires managers to justify the past objectives projects and budget and to set priorities for the future.

The essential idea of budget is that it differentiates ZBB from traditional budgeting that requires managers to justify their budget request in detail from scratch without any reference to the level of previous appropriations. It amounts to recalculation of all organizational activities to see which should be eliminated, funded at a reduced level, funded at the current level or which finances should be increased.

ZBB process runs into the following steps:



Decision package: Each department activity and programme is broken down into a decision package. Decision package summarizes the scope of work, requirements, anticipated benefits, term schedule, expected consequences if the element is not performed, etc. Thus decision package provides a running commentary of all the activities in a particular project.

Ranking: Each decision package is ranked against packages for other proposed projects or activities, and the projects that are running (operating) currently. Decision packages are ranked according to their benefits to the total organization during the budget period.

Resource allocation: The above ranking leads to organization-wide list of prioritized and priced out decision packages built from zero-base or ground up.

Resources are then allocated to the packages according to the preferential rank in the organization. When properly executed, the zero based budgeting provides an opportunity for the managers to carefully examine, evaluate and prioritize each organizational activity and see whether modification, continuance or termination is feasible.

Constraints in Resource allocation:

Resource allocation in actual practice is not an easy job. Strategies should prioritize tasks that require maximum attention initially taking political relations, overall objectives, external influences etc., into account.

Each department may fight for getting a maximum share of the scarce resources that are available leading to destructive conflict and personality clashes. External influences such as government regulations, shareholder preferences for higher dividends, credit restrictions imposed by financial institutions also affect the process of resource allocation considerably. To avoid trouble at a later stage, the deciding authorities need to prioritize everything and decide budgetary allocations in the initial stages itself. Many



'budget battles' could be avoided if targets, resource sharing, prioritization and midway revisions etc., are decided in an atmosphere of close cooperation and participation, especially at departmental and divisional levels.

Allocating resources to specific divisions and departments alone does not mean successful strategy implementation. There are other troublesome issues to be looked into more closely.

After resolving the difficult issues concerning resource allocation, the deciding authorities should look for a suitable organization structure for implementing the allocations.

Self check 5	Written test
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Name: _____

Date: _____

Instructions:

Write all your answers in the provided answer sheet page 42.

Test: Short Answer Questions

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

1. What are the four types of resources? (2points)
2. What is capital budget? How is it prepared (3 points)
3. How the resources are allocated under "Zero" based budgeting system? (3points)
4. What are the constrains in resource allocations? (5 points)

Information Sheet 6 **Recruitment and procurement strategies**

There are well laid out strategic steps to be adopted in recruiting human resources.

Assess organization's ability to recruit the desired employees

- Analyse trends that may impact on recruitment and selection strategies
- Identify internal organisational issues that may impact on recruitment and selection
- Ensure management acceptance to the recruitment and selection strategies

Facilitate development of recruitment and selection strategies

- Develop strategies that are in line with existing policies
- Select appropriate recruitment channels and selection methods
- Communicate recruitment and selection strategies to all concerned.

Coordinate the implementation of recruitment and selection strategies

- Developing an action plan.



- Ensure that sufficient resources are made available.
- Ensure enough support to the team responsible for recruitment.
- Align the recruitment strategies with organisation goals and objectives.

Monitor and review the effectiveness of recruitment and selection strategies

- Gather and tabulate the recruitment data and feedback.
- Analyse the data and feedback to assess performance
- Adopt best practices and identify potential improvements in recruitment methods.
- Recommend modifications to recruitment and selection strategies

Select a broader talent management approach.

A talent management approach integrates many of the often-independent HR functions relating to recruiting into a single coordinated effort.

Talent management is the acquisition, retention, movement, and release of workers in order to maximize the productivity of a company's "talent inventory."

In addition to the traditional functions of recruiting, a talent management strategy also encompasses:

- Retention
- Orientation
- Workforce planning
- Employment branding
- Relocation
- Talent management metrics
- Internal placement of individuals
- Replacement plans
- Redeployment plans
- Forecasts
- Releasing non-productive or surplus workers



Self check 6	Written test
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Name: _____

Date: _____

Instructions:

Write all your answers in the provided answer sheet page 47.

Test : Short Answer Questions

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

1. List out the strategic steps involved in recruiting? (6 points)
2. What is talent management approach and how it is implemented? (4 points)

LG#49	LO #3- Implement business development plan
Instruction sheet	
<p>This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:</p> <ul style="list-style-type: none">• Obtaining Physical and human resources• Establishing operational unit• Discussing and understanding Simulations on the development plan.• Implementation manual• Marketing the business operation• Developing and implementing monitoring process• Maintaining Legal documents ,recording and updating• Negotiating and securing contracts with relevant people• Options for leasing/ownership of business premises <p>This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:</p> <ul style="list-style-type: none">• Obtain Physical and human resources• Establish operational unit• Discuss and understand Simulations on the development plan.• Implementation manual• Market the business operation• Develop and implement monitoring process	

- Maintain Legal documents ,recording and updating
- Negotiate and secure contracts with relevant people
- Options for leasing/ownership of business premises

Learning Instructions:

Read the specific objectives of this Learning Guide.

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

- Accomplish the “Self-check 7”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- If you earned a satisfactory evaluation proceed to “Information Sheet 8”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 7.
- Read the information written in the “Information Sheet 8”.
- Accomplish the “Self-check 8”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- If you earned a satisfactory evaluation proceed to “Information Sheet 9”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 8.
- Read the information written in the “Information Sheet 9”.
- Accomplish the “Self-check 9”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.



Information Sheet 1 **Obtaining Physical and human resources**

Selecting Appropriate Operational Unit

There are many forms of business available to choose from. Choosing a particular business form, depends on mainly the capital available, size of the operation, the skill set available, the ownership design etc. The following are the types of business forms available to choose an appropriate business operation.

There are five major types of business operations available:

- Sole Proprietorship,
- Partnership,
- Close Corporation,
- Limited Liability Company and
- Corporation.

1. Sole Proprietorship

The sole proprietorship is perhaps the most common form of business ownership. Conducting business as a sole proprietor has distinct advantages and disadvantages. *Sole proprietorship is an unincorporated business owned by one person (hence, the term sole).* The owner of a sole proprietorship is known as a sole proprietor.

The most important feature of a sole proprietorship is that the law makes no distinction between the sole proprietor, and the business. Virtually all the legal and tax consequences associated with sole proprietorships flow from this essential element.

A sole proprietorship firm is run under owner's name or under the trade name.

He may employ others who will be part of the business but ownership will remain with one person.

The advantages:

All profits remain with the owner. The owner pays taxes on income from the business as part of his personal income. Sole proprietor can open a business quickly and with



relative ease, without much formality other than the licensing formalities. There is less paper work a sole proprietor has complete control and decision-making power over the business. Sale or transfer can take place at the discretion of the sole proprietor. Minimal legal costs to forming a sole proprietorship.

The Disadvantages:

The sole proprietor is personally liable for all the debts of the business. The owner bears all the risks and losses. The owner has to source for capital additionally; this risk extends to any liabilities incurred as a result of acts committed by employees of the company. All responsibilities and business decisions fall on the shoulders of the sole proprietor.

Partnership

Where two or more persons pool their capital and form a business with an agreement to share the profit of the business.

The Business Partners should have a legal agreement that sets forth how decisions will be made, profits will be shared, disputes will be resolved, how future business partners will be admitted to the partnership, how partners can be bought out, or what steps will be taken to dissolve the partnership when needed.

There is no legal personality for the business and partners are jointly and severally liable to claims. In a general partnership liability is unlimited. Also, each partner is taxed in his own personality capacity.

Limited Liability partnership:

It is another form of partnership where one partner with management rights but also with unlimited liability and one or more limited partner with no rights of involvement in managing the business.

A limited partner contributes a fixed amount of capital or property to the partnership and is liable to the business debts or liabilities only up to the amount contributed.



The Advantages:

Flexible structure based on the agreement of partners;

Less paper work vis-à-vis legislation and taxation;

Sharing risks, losses and management responsibilities;

Availability of more diversified skills;

Possibility of raising more capital; and

No risk of take-over by other businesses

The Disadvantages:

Business Partners are jointly and individually liable for the actions of the other partners.

Profits must be shared with others.

Since decisions are shared, disagreements can occur.

The partnership may have a limited life; it may end upon the withdrawal or death of a partner.

Close corporation (or Private Limited company)

A close corporation status is in between a partnership and a company/corporation status. The size of membership can go up to 50.

Ownership of members is expressed as percentage of total capital and each member receives a certificate of ownership.

Basic conditions to be satisfied are that (i) founding statements need to be deposited with the Registrar and (ii) application ought to be submitted for name of the close corporation. Other registration requirements are required.

**The advantages:**

Is a separate legal entity and is therefore not affected by the death of a member

The members are only liable for debts of the corporation under a number of specified circumstances.

Registration of a close corporation is relatively simple and inexpensive when compared to a company. Members will not pay tax on all the profits of the close corporation as is the case with a partnership or sole proprietorship. The close corporation will pay tax at a flat rate, where after the profits can be distributed to the members as a dividends.

There are laws which govern meetings and procedures of the closed corporation.

The running of a close corporation is much simpler than that of a company.

The Disadvantages:

Under certain circumstances, the members can be held personally liable for the debts of the close corporation.

All the members have to give their consent for the disposal of a member's interest and they have to be given preference to third parties to acquire the interest.

Limited Liability Companies:

Shareholders own Limited Liability Companies whose percent of ownership is based on the amount of their capital contributions. This form of business status opens the way for acquisition of funding. Shareholding members have limited liability to the company's debts up to the values of their shares and they are not personally liable to the debts.



The advantages:

Shareholders cannot be held liable for the liabilities of the company, as the company is a separate legal entity.

Public company can have unlimited shareholders. Shares in a company are easily transferable. A trust can own shares in a company.

The Disadvantages:

It is very difficult to form a company. Too many paper works, to cover various legislations. Winding up also difficult.

Self check 1	Written test
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Name: _____ **Date:** _____

Instructions:

Write all your answers in the provided answer sheet pages 18.

Test : Short Answer Questions

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

1. List out major forms of business operations available? (4 points)
2. List out advantages of Sole Proprietorship (3 points)
3. List out disadvantages of Partnership. (3 Points)

Information Sheet 2 Establishing operational unit

Business operation monitoring is a set of management and analytic processes that enables the management of an organization to monitor the performance against the pre-set goals.

Business operation monitoring has three main activities:

1. Selection of goals,
2. Collecting operational data to analyze the organization's progress against these goals (metrics),
3. Actions taken by managers based on this information (metrics) to improve future performance.

The challenges involved are:

- Collecting data - both internal and external
- Analyzing the data
- Coming to an appropriate conclusion
- Taking corrective actions

Prior to the start of the computerization, before 1970s, the businesses sometimes took the trouble to laboriously collect data from non-automated sources. As businesses started automating more and more systems, more and more data became available. But accuracy of data is still a challenge.

Then comes analyzing the data. For instance a bank management may want to analyze the data to find out:

- New customers acquired
- Status of existing customers



- Attrition of customers (customers who left the bank)
- Turnover generated by segments of the customers – (Retail/ corporate customers)
- Loan outstanding by customer segments
- Collection of bad debts
- Potential customers applying to become customers, and the levels of
- approval, rejections and pending numbers
- Delinquency analysis of customers behind on payments
- Profitability of customers from each segment and so on.

Based on the analysis, the management may develop strategies regarding – what is to be done to improve the profitability; to increase the customer base; to retain the customer etc.

Then the management takes actions to implement those strategies to achieve the pre-set goal.

There are some tools available in the software domain to help the businesses to monitor the operations like, Balance Score Card, Business Intelligence etc.

Self check 2	Written test
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Name: _____ **Date:** _____

Instructions: Write all your answers in the provided answer sheet pages 23.

Test : Short Answer Questions

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

1. What are the three main activities of business operation monitoring?

(3 points)

2. What are the challenges involved in business monitoring? (3 points)

3. Give an example of data analysis by a bank? (4 points)



Information Sheet 3 **Discussing and understanding Simulations on the development plan**





Information Sheet 4 **Implementation manual**

Marketing Research

To undertake marketing effectively, businesses need information. Information about customer wants, market demand, competitors, distribution channels etc.

All these information can be generated through a Market research.

Market research consists of testing the market to determine the acceptance of a particular product or service, especially amongst different demographics. It is used to establish which portion of the population will or does purchase a product, based on age, gender, location, income level and many other variables. Market research allows companies to learn more about past, current and potential customers, including their specific likes and dislikes.

Based on market research data, businesses can develop a "target audience." A target audience is a specific group of customers that has a distinct need or desire for a product or service. Market research is used to determine how often the target audience will buy a particular item, how much they are willing to pay for it, and their overall satisfaction with it. By analyzing market research information, manufacturers and service providers learn where to focus their resources most effectively.

For example, mature men and women are most likely to buy a hair product that covers gray. Advertising for such a product would obviously target adults, perhaps those 30 and older. It makes no sense to waste money and effort

advertising it to teen girls.

Market research also helps companies develop information regarding new products or product lines and learn how well new items will be received. It can also help businesses learn how the public responds to a comparable product already on the market. In this way, business can stay in the loop, keeping in touch with the wants and needs of potential consumers. They can stop production of a product that the public shows little or no interest in, or change it, improve it, or lower the price as necessary based on market research information.

Marketers need all the above information to launch a product. The sources of this information are:

(1) Internal company information

E.g. sales, orders, customer profiles, stocks, customer service reports

(2) Marketing intelligence

This can be information gathered from many sources, including suppliers, customers, distributors, newspapers and other media inputs like Facebook etc. Marketing intelligence is a catch-all term to include all the everyday information about developments in the market that helps a business prepares and adjust its marketing plans.

(3) Market research

Management cannot always wait for information to arrive in bits and pieces from internal sources. Also, sources of market intelligence cannot always be relied upon to provide relevant or up-to-date information. In such circumstances, businesses often need to undertake specific studies to support their marketing strategy - this is market research.

Conducting Market Research

Depending on the situation facing a business, particularly the resources allocated

(1) Do it yourself - personally

This is often the case in smaller businesses. Here, marketing staff do the research themselves. Sample sizes tend to be small - which may be appropriate if there are a relatively small number of customers like a car dealer in a town etc.

(2) Do it yourself - using a marketing research department

By employing a marketing research manager, a business may benefit from specialist research skills. Normally single brand, small time producers take this route.

(3) Do it yourself - using a fieldwork agency

Often the design of a piece of market research can be completed using internal resources -particularly if the business employs a marketing specialist with knowledge of research techniques. However, the scope of the research (for example, interviewing a large sample of consumers in various locations) may be beyond the resources of a business. In this case, the fieldwork can be carried out by a marketing research agency.

(4) Use the full services of a marketing research agency

Where resources permit, a business can invest in the full range of skills offered by marketing research agencies. A complete service would include:



Preparation of the market research proposal (survey design, costs, timetable, method of feedback) Conduct exploratory research Design the research questionnaire

Select the sample

Choose the survey method (e.g. telephone, postal, face-to-face)

Conduct the interviewing

Analyze and interpret the results

Prepare a report Make a presentation

Two main Types of Market Research

In terms of the data capture and analysis there are two main types of market research:

Qualitative Research

Qualitative research is about investigating the features of a market through indepth Research that explores the background and context for decision-making.

There are two main qualitative methods - depth interviews and focus groups.

However qualitative research can also include techniques such as brainstorming sessions.

(a) Depth Interviewing

Depth interviews are the main form of qualitative research in most business markets. Here an interviewer spends time in a one-on-one interview finding out about the customer's particular circumstances and their individual opinions.

The majority of business depth interviews take place in person, which has the added benefit that the researcher visits the respondent's place of work and gains a sense of the culture of the business. However, for multi-national studies, telephone depth interviews, or even on-line depth interviews may be more

Feedback is through a presentation that draws together findings across a number of depth interviews. In some circumstances, such as segmentation studies, identifying



differences between respondents based on age, cultural, economic and educational background etc. is very important.

(b) Group Discussion

Focus groups are the mainstay of consumer research. Here several customers are brought together to take part in a discussion led by a researcher (or "moderator"). These groups are a good way of exploring a topic in some depth understands their likes and dislikes of the product presented the competition products etc. This gives ample information to marketers to decide an appropriate strategy to market their products.

Online research can also be done, where participants chosen at random, can give their opinions and inputs on various aspects of products and services.

Quantitative Research

Quantitative research is about measuring a market and quantifying that measurement with data. Most often the data required relates to market size, market share, penetration, installed base and market growth rates.

However, quantitative research can also be used to measure customer attitudes, satisfaction, commitment and a range of other useful market data that can tracked over time.

Quantitative research can also be used to measure customer awareness and attitudes to different manufacturers and to understand overall customer behavior in a market by taking a statistical sample of customers to understand the market as a whole.

At the heart of all quantitative research is the statistical sample. Great care has to be taken in selecting the sample and also in the design of the questionnaire and the quality of the analysis (statistical analysis) of data collected.



Self-Check 4	Written Test
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Name: _____

Date: _____

Instructions:

Write all your answers in the provided answer sheet pages 10.

Test : Short Answer Questions

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

1. What are the goals of market research? (4 points)
2. Marketing information is gathered from 3 main sources, what are they?
(4 points)
3. List out 2 qualitative methods of market research? (2 points)

Information Sheet 5 **Marketing the business operation**

Maintaining financial records is very important for the effective planning and management of your micro-business, as well as making sound business decisions.

It may also be required to present financial and performance records to banks, financial institutions and other potential investors, in order to provide a snapshot of the business.

There are also legal requirements that relate to record keeping.

Therefore, keeping and maintaining up-to-date records in an orderly manner is very essential to managing business.

It is required by the law, that business records and documents that explain all transactions are kept and retained for at least five years.

The records that are required to keep include:

- Purchase and expense invoices
- Sales and income receipts
- Cash register tapes
- Credit card statements
- Bank account statements

For taxation purposes the following records are to be maintained every year:

- Motor vehicle expenses, including logbooks
- Debtors and creditors outstanding
- Records of depreciating assets
- Stock-take records
- Records of business assets uses for private purposes
- Records of business assets sold during the year

There are other records are required by law are:

- Employee musters



- Salary paid records
- Appointment and relieving documents of employees

Self check 5	Written test
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Name: _____ **Date:** _____

Instructions:

Write all your answers in the provided answer sheet pages 28.

Test: Short Answer Questions

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

1. What are the financial records that are required to be maintained by law? (3 points)
2. What are records that are required for taxation purposes? (4 points)
3. What are the records related to employees that are expected to be maintained? (3 points)



Information Sheet 6 **Developing and implementing monitoring process**

Maintaining financial records is very important for the effective planning and management of your micro-business, as well as making sound business decisions.

It may also be required to present financial and performance records to banks, financial institutions and other potential investors, in order to provide a snapshot of the business.

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- Records of business assets sold during the year

There are other records are required by law are:

- Employee musters
- Salary paid records



- Appointment and relieving documents of employees

Self check 6	Written test
--------------	--------------

Name: _____

Date: _____

Instructions:

Write all your answers in the provided answer sheet pages 28.

Test: Short Answer Questions

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

1. What are the financial records that are required to be maintained by law? (3 points)
2. What are records that are required for taxation purposes? (4 points)
3. What are the records related to employees that are expected to be maintained? (3 points)



Information Sheet 7 **Maintaining Legal documents ,recording and updating**

Ownership Criteria

The success of a business owner depends on a wide range of criteria

Some of those criteria are listed below:

1. The owner should enjoy doing the business. He should get personal satisfaction in the business activities.
2. The owner should believe in the product and service that he is offering
3. The owner should plan his action and act according to his plan.
4. Owner should be able to handle money wisely and not to dip into business income for personal expenses at least for the first 3 years.
5. The owner should act as a sales person and sell constantly the benefits of the product or service; not to be shy about it.
6. Have a feeling for customers and their special needs and always try to attend to those needs.
7. Have a positive mind set in the face of adversities and hurdles in order to overcome them eventually.
8. Should know how to take advantage of the new technology for the betterment of business, especially information technology.
9. Must have a supporting team to carry out important decisions.
10. Should be thorough with the application and usage of the product and the customer should be able to count on these expertise for their benefits.
11. Must create a competitive advantage, by doing and bringing unique service and products.



12. Must be accessible to the customers and stay as easy for the customers to do business with.

13. Get involved in the community that supports the business and be known in that community.

14. Be able to negotiate cleverly leaving a win-a-win situation on the table.

15. Follow-up constantly to reach out the existing and the potential customers.

Self check 7	Written test
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Name: _____ **Date:** _____

Instructions:

Write all your answers in the provided answer sheet page 33.

Test : True /False

Directions:

- There are five [5] questions in Test II. Select the best answer for each question and write only the letter that corresponds to your answer in the provided answer sheet.
- A correct answer scores 2 point and an incorrect answer scores 0 point. No marks will be given for a question if more than one answer is supplied.

1. The owner should believe in the product and service that he is offering –

True or False



2. The owner should act as a sales person and sell constantly the benefits of the product or service; not to be shy about it. **True or False**
3. Should know how to take advantage of the new technology for the betterment of business, especially information technology. **True or False**
4. Have a positive mind set in the face of adversities and hurdles in order to overcome them eventually. **True or False**
5. Must create a competitive advantage, by doing and bringing unique service and products. **True or False**



Information Sheet 8 **Negotiating and securing contracts with relevant people**

Information Sheet 9 **Options for leasing/ownership of business premises**

LG#50	LO #4- Review implementation process and take corrective measures
Instruction sheet	
<p>This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:</p> <ul style="list-style-type: none"> -Developing and implementing review process -Identifying improvements in business operation -Implementing and monitoring improvements <p>This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:</p> <ul style="list-style-type: none"> -Develop and implement review process -Identify improvements in business operation -Implement and monitor improvements 	
Learning Instructions:	
<p>Read the specific objectives of this Learning Guide.</p> <ul style="list-style-type: none"> • Read the specific objectives of this Learning Guide. • Read the information written in the “Information Sheets 1”. • Accomplish the “Self-check. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you. • If you earned a satisfactory evaluation proceed to “Information Sheet 2”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheets 1. • Read the information written in the “Information Sheet 2”. • Accomplish the “Self-check 2”. Again you can request the key answer / key to correction from your teacher or you can request your teacher to check it for you. • If you earned a satisfactory evaluation proceed to “Information Sheet 3”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 2. • Read the information written in the “Information Sheet 3”. • Accomplish the “Self-check 3”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you. 	



Information Sheet 1 **Developing and implementing review process**

What is continual improvement?

Continual improvement is a type of change that is focused on increasing the effectiveness and/or efficiency of an organization to fulfill its policy and objectives. It is not limited to quality initiatives. Improvement in business strategy, business results, and customer, employee and supplier relationships can be subject to continual improvement. Put simply, it means 'getting better all the time'. According to ISO 9000:2000 continual improvements is a recurring activity to increase the ability to fulfill requirements. It is often described by an PLAN-DO-CHECK-ACT Cycle (PDCA)

PLAN: Establish the objectives and processes necessary to deliver results in accordance with customer requirements and the organizations policies.

DO: implement the processes.

ACT: take actions to continually improve process performance.

CHECK: monitor and measure processes and products against policies, objectives and requirements for the product and report the results.

Continual improvement strategy

It is important to publicize wins and successful improvements throughout the organization by using established communication media. This provides confidence in the CPI (continual process improvement) programmer and encourages staff to participate in future improvement opportunities.

Activities that can aid the celebration of success include:

- ☐ Sharing the success with peers using devices like CPI bulletin boards that display the project details;
- ☐ Announcing the success in company meeting and gatherings;
- ☐ Placing an article in the organization's newsletter or other communications; and,

- Publicizing successful process improvement projects at internal or external best practice conferences
- The organization's website/intranet may also be used to display and communicate process improvement activities. This could include:
 - The process improvement projects;
 - The process improvement support team composition and contact details;
 - Information on the status of process improvement implementation;
- ✓ Process improvement methodology, guidelines, procedures, etc.;
- ✓ Database of improvements and best practices; and,
- ✓ Performance indicators that measure the progress and status of each continual
- ✓ Process improvement project such as:
 - ✓ Analysis of the current status
 - ✓ Definition of the as-desired process
 - ✓ Determination of the areas for improvement
 - ✓ Development of process improvement options
 - ✓ Implementation plan status.

Success should be considered as a foundation for improvement that will empower and motivate staff to identify further improvement opportunities and to quantify and eliminate waste.

Success breeds success.

There are ten steps to undertaking continual improvement:

1. Determine current performance
2. Establish a need to improve
3. Obtain commitment and define the improvement objective
4. Organize the diagnostic resources
5. Carry out research and analysis to discover the cause of current performance
6. Define and test solutions that will accomplish the improvement objective



7. Produce improvement plans which specify how and by whom the changes will be implemented
8. Identify and overcome any resistance to the change
9. Implement the change
10. Put in place controls to hold new levels of performance and repeat step one

Self-Check-1	Written Test
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Name: _____

Date: _____

Instructions:

Write all your answers in the provided answer sheet pages 15&16.

Test I: Short Answer Questions

Directions: Answer all the questions listed below.

1. What is PDCA cycle? (4 points)
2. What is the use of publicize wins and successful improvements throughout the organization? (2 points)
3. There are ten steps to undertaking continual improvement. Write at least five of them (4 points)

Test II: Multiple Choice

Directions:

- ☐ There are five [5] questions in Test II. Select the best answer for each question and write only the letter that corresponds to your answer in the provided answer sheet.
- ☐ A correct answer scores 1 point and an incorrect answer scores 0 point. No marks will be given for a question if more than one answer is supplied.

Start here:



1. Continual improvement is a type of change that is focused on increasing the effectiveness and/or efficiency of an organization to fulfill its policy and objectives.

- A. True B. False

2. Which one of the following is not under the continual improvement step?

- A. Implement the change
- B. Identify and overcome any resistance to the change
- C. Disarrange the diagnostic resources
- D. None

3. Activities that can aid the celebration of success include:

- A. Announcing the success in company meeting and gatherings
- B. Placing an article in the organization's newsletter or other communications
- C. Publicizing successful process improvement projects at internal or external best practice conferences
- D. All

4. _____ is monitor and measure processes and products against policies, objectives and requirements for the product and report the results.

- A. Act B. Check C. Plan D. none

5. According to ISO 9000:2000 continual improvements is:

- A. A recurring activity to increase the ability to fulfill requirements
- B. Implement the process
- C. Take action to continually improve process performance
- D. None



Information Sheet 2 **Identifying improvements in business operation**

The business processes have to be reviewed from time to time in order to assess:

If the operation/project meets the requirements, can it be taken further to deliver even bigger benefits?

What lessons are learnt that we can apply to future projects?

The Post Implementation Review is a tool to answer all the above assessments and questions.

For the organization, benefiting from the project, it makes sense to ensure that all desired benefits have been realized, and also understand what additional benefits can be achieved.

Review – When?

A good time to start thinking about the Post Implementation Review is shortly after the project/operation has been delivered, and when most of the problems have been ironed-out.

Time to start to list ideas and observations while they are still fresh in people's minds.

However, it is also important to note that in some cases, the results of the operation will take time to manifest and review of the operation should wait till such time.

Also the people who are exposed to new operation need time to adjust to the new requirements and the review should be delayed for that reason as well.

In short, a few weeks, or even a few months, time period should be allowed before doing the full review.

Review-How?

Here are some tips for reviewing the operations:

- **Ask for openness** – Should emphasize the importance of being open and honest, and make sure that people aren't in any way punished for being open.
- **Be objective** – Should describe what has happened in objective terms, and then focus on improvements.
- **Document success** – Should document practices and procedures that led to project successes, and make recommendations for applying them to similar future projects.

- ❑ **Look with hindsight** – Should pay attention to the external factors that may have increased implementation risks.
- ❑ **Be future-focused** – Should remember, the purpose is to focus on the future, not to assign blame for what happened in the past.
- ❑ **Look at both positives and negatives** – Should identify positive as well as negative lessons.

When conducting the review, the following activities should also be included:

- ❑ **Gap analysis.**
 - ❑ Review the objectives, to evaluate how closely the project results match the original objectives.
 - ❑ **Determine whether the project goals were achieved.**
 - ❑ Is the deliverables (expected results) functioning as expected?
 - ❑ **Determine the satisfaction of stakeholders.**
 - ❑ Were the end users' needs met?
 - ❑ **Determine the project's costs and benefits.**
 - ❑ How do the costs compare with the benefits achieved?
 - ❑ **Identify areas of further development.**
 - ❑ Have all of the expected benefits been achieved? If not, what is needed to achieve them?
 - ❑ **Identify lessons learned.**
 - ❑ What went wrong, why did these things go wrong, and how could these problems be avoided next time?
 - ❑ **Report findings and recommendations.**

What lessons have been learnt, that need to be carried forward to future projects?



The critical points to be noted to successfully review the business operations:

- ❑ **Define the scope of the review beforehand** - Clarify your objectives for the review, and make your intentions clear – this will better ensure that people share their experiences openly and honestly.
- ❑ **Review key documents** – Gather together the key project documents. This will help assess the project goals, as well as the actual benefits achieved through the project.
- ❑ **Independent reviewers** – Involving outside people in the review process may get an objective, unclouded view of the project.
- ❑ **Data collection** – Data collection should be must be in an appropriate way, for example, by using interviews and surveys etc.
- ❑ **Reports** – Report the findings, and publicize the results. This help the managers to learn from the operations conducted and adopt them to achieve the desired results from the operations.

Self-Check 2	Written Test
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Name: _____ **Date:** _____

Instructions:

Write all your answers in the provided answer sheets in page 8 & 9

Test: Short Answer Questions

Directions: Answer all the questions listed below.

1. When do you review a business operation (2 points)
2. List out any 4 steps involved in of reviewing the business operation. (3 points)
3. What is Gap Analysis? (3 points)
4. List any 2 critical points to be noted while reviewing the business operations? (2 points)

Information Sheet 3 **Implementing and monitoring improvements**

Reviewing Implementation Process

1. **Understand** the current situation
2. **Decide** the quality standards required in each of the process
3. **Identify** the hurdles
4. **Strategize** to remove the hurdles
5. **Train** the people to understand the reviewed quality standards
6. **Implement** the quality standards in stages
7. **Do** the interim review
8. **Do** the course correction
9. **Document** the changes
10. **Sustain** the standards

**LG#51****LO #5-** Describe footwear types, styles and construction**Instruction sheet**

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

- Persuasion strategies
- Enterprise policies and procedures for customer handling
- Maintenance of welcoming customer environment
- Greeting customer warmly
- Providing Information to satisfy customer needs
- Gathering information on customers and service history
- Maintenance of customer data
- Assessing customer needs
- Documenting customer details
- Negotiations in a business-like and professional manner..
- Maximizing benefits for all parties in
 - negotiation through use of established techniques
 - establishing long term relationships
- communicating results of negotiations to appropriate colleagues and stakeholders
- Opportunities to maintain regular contact with customers

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

- Persuasion strategies
- Enterprise policies and procedures for customer handling
- Maintenance of welcoming customer environment
- Greet customer warmly
- Provide Information to satisfy customer needs
- Gather information on customers and service history
- Maintenance of customer data
- Assess customer needs
- Document customer details
- Negotiations in a business-like and professional manner..
- Maximize benefits for all parties in
 - negotiation through use of established techniques
 - establishing long term relationships
- communicating results of negotiations to appropriate colleagues and stakeholders
- Opportunities to maintain regular contact with customers

Learning Instructions:



Read the specific objectives of this Learning Guide.

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

- Accomplish the “Self-check 7”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- If you earned a satisfactory evaluation proceed to “Information Sheet 8”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 7.
- Read the information written in the “Information Sheet 8”.
- Accomplish the “Self-check 8”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- If you earned a satisfactory evaluation proceed to “Information Sheet 9”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 8.
- Read the information written in the “Information Sheet 9”.
- Accomplish the “Self-check 9”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- If you earned a satisfactory evaluation proceed to “Information Sheet 10”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 9.
- Read the information written in the “Information Sheet 10”.
- Accomplish the “Self-check 10”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- If you earned a satisfactory evaluation proceed to “Information Sheet 11”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 10.
- Read the information written in the “Information Sheet 11”.
- Accomplish the “Self-check 11”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- If you earned a satisfactory evaluation proceed to “Information Sheet 12”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 11.
- Read the information written in the “Information Sheet 12”.
- Accomplish the “Self-check 12”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.
- If you earned a satisfactory evaluation proceed to “Information Sheet 13”. However, if your rating is unsatisfactory, see your teacher for further instructions or go back to Information Sheet 12.
- Read the information written in the “Information Sheet 13”.

- Accomplish the “Self-check 13”. Request the key answer / key to correction from your teacher or you can request your teacher to check it for you.



Information Sheet 1 **Persuasion strategies**

Information Sheet 2 **Enterprise policies and procedures for customer handling**

Information Sheet 3 **Maintenance of welcoming customer environment**

Information Sheet 4 **Greeting customer warmly**

Information Sheet 5 **Providing Information to satisfy customer needs**

Information Sheet 6 **Gathering information on customers and service history**

Information Sheet 7 **Maintenance of customer data**

Information Sheet 8 **Assessing customer needs**

Information Sheet 9 **Documenting customer details**

Information Sheet 10 **Negotiations in a business-like and professional manner**

Information Sheet 11 **Maximizing benefits for all parties in**
-negotiation through use of established techniques
- establishing long term relationships

Information Sheet 12 **communicating results of negotiations to appropriate colleagues and stakeholders**

Information Sheet 13 **Opportunities to maintain regular contact with customers**



LG#52	LO #6- Develop and Maintain Business Relationship
Instruction sheet	
<p>This learning guide is developed to provide you the necessary information regarding the following content coverage and topics:</p> <ul style="list-style-type: none"> • Describing features and benefits of products/services • Discussing alternative sources of information/advice • Seeking, reviewing and acting upon Information needed pro-actively • Honoring agreements • Making adjustments to agreements with customers & colleagues • Nurturing relationships through regular contact <p>.Effective interpersonal and communication styles</p> <p>This guide will also assist you to attain the learning outcomes stated in the cover page. Specifically, upon completion of this learning guide, you will be able to:</p> <ul style="list-style-type: none"> • Describing features and benefits of products/services • Discussing alternative sources of information/advice • Seeking, reviewing and acting upon Information needed pro-actively • Honoring agreements • Making adjustments to agreements with customers & colleagues • Nurturing relationships through regular contact <p>.Effective interpersonal and communication styles</p>	



Learning Instructions:

Read the specific objectives of this Learning Guide.

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



Information Sheet 1 products/services	Describing features and benefits of
Information Sheet 2 information/advice	Discussing alternative sources of
Information Sheet 3 Information needed	Seeking, reviewing and acting upon pro-actively
Information Sheet 4	Honoring agreements
Information Sheet 5 customers & colleagues	Making adjustments to agreements with
Information Sheet 6 contact	Nurturing relationships through regular



Reference Materials

- 1.<http://www.9pbusinessservices.com/business>**
- 2.<http://www.denzion.com/operational> review**
- 3.Iso 9001 training manual**



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