



RQF LEVEL 4



TRADE: all

MODULE CODE: CCMBP401

TEACHER'S GUIDE

Module name: BUSINESS PLAN
DEVELOPMENT



**MODULE NAME : CCMBP401 BUSINESS PLAN
DEVELOPMENT**

Table of Contents

Acronyms.....	3
Introduction.....	4
LEARNING UNIT 1: IDENTIFY ELEMENTS OF BUSINESS PLAN	5
Learning outcome 1.1. Business environment in accordance with identified business	6
Learning outcome 1.2. Conduct business feasibility study in line with business environment analysis results.....	18
Learning outcome 1.3. Define elements of business plan.....	26
LEARNING UNIT 2: WRITE A BUSINESS PLAN IN LINE WITH THE IDENTIFIED ELEMENTS	35
Learning outcome 2.1. Describe the business plan	36
Learning outcome 2.2. Design business production plan in line with results from business environment analysis.....	46
Learning outcome 2.3. Design marketing plan in line with market feasibility study and business products.....	47
Learning outcome 2.4. Design business staff in line with business activities	60
Learning outcome 2.5. Develop business financial plan in line with business needs	65
LEARNING UNIT 3: ESTABLISH STRATEGIES TO MONITOR, EVALUATE AND UPDATE THE BUSINESS PLAN (CONTINGENCY PLAN)	88
Learning outcome 3.1. Analyze risk in accordance with business environment	89
Learning outcome 3.2. Assess identified risks in accordance with business plan developed	99
Learning outcome 3.3. Explain business contingency plan concepts.....	105
Learning outcome 3.4. Development contingency plan in accordance of assessed risk ..	108
LEARNING UNIT 4: PRESENT A BUSINESS PLAN.....	112
Learning outcome 4.1. Explain different ways to present the business plan	113
Learning outcome 4.2. Explain different ways to present the business plan	118
Learning outcome 4.3. Present a business plan	122
REFERANCES :	127

Acronyms

BEP :Break Even Point

FRW: RWANDAN FRANCS

MINEDUC: Ministry of Education

PESTEL: Politics Economic social Technological Environmental Legal

ROI: Return on Investment

RTB: Rwanda TVET Board

SMART: Specific Measurable Achievable Realistic Time-bound

SWOT: Strengths Weaknesses Opportunities and Threats

TVET: Technical and Vocational Education and Training

VAT: Value added Tax

Introduction

Business plan development plays a vital role in all TVET Option. Since people's lives are involved, it is crucial that technicians are familiar with business plan, assess risk and present business plan to the necessary third party such as bank, investors, partners etc.. Technicians apply elements of business plan development when they deal with business creation for making purchases, sales, businesses and acquiring or holding an immovable property.

In addition, Business plan development plays an important role in the daily life of business activities, regulation, and Rwandan economy in general. The Business plan development helps in improving financial, social, and economic welfare of Rwandan society.

Business plan development is key to the Rwandan education ambition of developing a knowledge-based and technology-led economy since it provides to trainees all required knowledge and skills to be used in different learning areas. Therefore, Business plan development is an important module as it supports all modules included in TVET schools. This Business plan development module provides appropriate skills, attitudes, and values needed by Technicians.

CCMBP402: BUSINESS PLAN DEVELOPMENT

Learning Units:

1. Identify elements of business plan.
2. Write a business plan in line with the identified elements.
3. Establish strategies to monitor evaluate and update the business plan (Contingency plan).
4. Present a business plan.

LEARNING UNIT 1: IDENTIFY ELEMENTS OF BUSINESS PLAN



STRUCTURE OF LEARNING UNIT

Learning outcomes:

- 1.1. Business environment in accordance with identified business
- 1.2. Conduct business feasibility study in line with business environment
- 1.3. Define elements of business plan

Learning outcome 1.1. Business environment in accordance with identified business



Duration: 2hrs



Learning outcome 1.1 objectives:

By the end of the learning outcome, the trainees will be able to:

1. Define clearly the basic concepts of business plan for business operations
2. Identify correctly the business environment for business operations
3. Describe appropriately business feasibility study in line with business environment analysis results.



Resources

Equipment

- Computer
- Projector
- Scanner
- Printer

Tools

- Flip chart
- Marker pen

Materials

- Papers
- Books



Advance preparation:

- .Internet
- .Skill lab



Content 1: Meaning of business environment in accordance with identified business ideas

- **Meaning of business environment**

Business environment are all internal and external factors that contribute in operation of business in location. The business environment can include factors such as: clients and suppliers; its competition and owners; improvements in technology; laws and government activities; and market, social and economic trends.

Business environment helps in identifying business opportunities, tapping useful resources, assists in planning, and improves the overall performance, growth, and profitability of the business.

- **Meaning of business situation**

Business situation is one section in the plan describing the company's current state of market. A situation analysis basically looks at where the company has been given the environmental factors as discussed above. It is at this step that the entrepreneur should review the past performance of the products and the company. The analysis provides information on the market size, growth rate, suppliers, competitors and the general economic conditions.

A current business situation describes a description of the company, the marketing plans in place and goals for the future. It also states the company's mission statement. The current business situation is one section in the plan describing the company's current state of market.



Theoretical learning Activity

- ✓ Brainstorming on business environment ask trainees to identify those environment related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the business environment then make presentation of the findings



Points to Remember (Take home message)

- ✚ Meaning of business environment
- ✚ Meaning of business situation



Content 2: Types of business environment

- **Business environment** are all internal and external factors that contribute in operation of business in location.

✓ **Internal environment**

Internal business environment refers to **internal** factors and resources that affect the running of the business

Internal factors that contribute to the business operations include:

Financial resources

-Assets

-Human resources

-Technological resources

✓ **External environment**

External business environment refers to of the factors outside the business that may affect its running and success.

External factors that contribute to the business operations include:

-Suppliers of Inputs

-Customers

-Marketing Intermediaries

-Competitors

-Publics

-Economic environment

-Social and Cultural environment

-Political and Legal environment

-Technical environment

-Demographical environment

-Natural environment

- **A PESTEL analysis** is a framework or tool used by marketers to analyze and monitor the macro-environmental (external marketing environment) factors that have an impact on an organisation.
- ✓ **Political Factors:** These are all about how and to what degree a government intervenes in the economy.
- ✓ **Economic Factors:** Factors include – economic growth, interest rates, exchange rates, inflation, disposable income of consumers and businesses and so on.
- ✓ **Social factors:** All social factors that might affect sales of a product and services example: cultural implications, gender and connected demographics, social lifestyles,
- ✓ domestic structures, education levels, distribution of wealth, etc.....
- ✓ **Technological factors:** All factors due to changes in technology that may affect production and sale of the products and services example: new discoveries, rate of technological obsolescence, rate of technological advances, innovative technological platforms, etc.....
- ✓ **Legal factors:** All legal aspects or changes that may affect the business environment example: product regulations, employment regulations, competitive regulations, patent/copy right infringements, health and safety regulations, etc....
- ✓ **Environmental factors:** All environmental factors that can affect business operations example: geographical location, climate and weather, waste disposal laws, energy Consumption regulation, people’s attitude towards the environment, etc....

All internal and external factors should be analysed carefully before developing the identified business idea



Theoretical learning Activity

- ✓ Brainstorming on types of business environment ask trainees to identify those types of business environment related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the types of business environment then make presentation of the findings



Points to Remember (Take home message)

- ✚ Two types of business environment
 - ✓ internal business environment
 - ✓ external business environment



Content 3: Current industrial trends analysis

- **Meaning of Industry trend analysis**

Industry trend analysis is a market assessment tool used by businesses and analysts to understand the competitive dynamics of an industry. It helps them get a sense of what is happening in an industry, e.g., demand-supply statistics, degree of competition within the industry, etc. It helps entrepreneur to identify both the opportunities and threats coming in his/her way and gives him/her a strong idea of the present and future scenario of the industry.

- **Methods used in industry analysis:**

- ✓ **Competitive Forces Model**

The Competitive Forces Model is an important tool used in strategic analysis to analyze the competitiveness in an industry. This model includes analyses of the following five forces:

- ❖ **Industry rivalry** (Degree of competition among existing firms): The number of participants in the industry and their respective market shares
- ❖ **Treat of substitutes** (products or services): Substitutes can take two forms – products with the same function/quality but lesser price, or products of the same price but of better quality or providing more utility.
- ❖ **Bargaining power of buyers:** refers to the pressure that customers/consumers can put on businesses to get them to provide higher quality products, better customer service, and/or lower prices.
- ❖ **Bargaining power of suppliers:** refers to the pressure that suppliers can put on companies by raising their prices, lowering their quality, or reducing the availability of their products. This framework is a standard part of business strategy.
- ❖ **Barriers to entry** (threat of new entrants): refers the obstacles or hindrances that make it difficult for new companies to enter a given market. These may include technology challenges, government regulations, patents, start-up costs, or education and licensing requirements.



Theoretical learning Activity

- ✓ Brainstorming on Current industrial trends analysis after ask trainees to identify those Current industrial trends analysis related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the Current industrial trends analysis then make presentation of their findings



Points to Remember (Take home message)

Industry trend analysis is a market assessment tool used by businesses and analysts to understand the competitive dynamics of an industry

Competitive Forces Model

This model includes analyses of the following five forces:

- Industry rivalry
- Treat of substitutes
- Bargaining power of buyers
- Bargaining power of suppliers
- Barriers to entry



Content 4: SWOT analysis of the business

SWOT Analysis stands for Strengths, Weaknesses, Opportunities, and Threats. It can be a great way of summarizing various industry forces and determining their implications for the business in question.

Strengths: Those are the characteristics that give the business its competitive advantage.

Weaknesses: those are internal characteristics that a company needs to overcome in order to improve its performance.

Opportunities: Opportunities are elements that the company sees in the external environment that it could pursue in the future to generate value.

Threats: Threats are elements in the external environment that could prevent the company from achieving its goal or its mission or creating value.

SWOT analysis of the business

SWOT Analysis stands for Strengths, Weaknesses, Opportunities, and Threats



Theoretical learning Activity

- ✓ Brainstorming on SWOT analysis after ask trainees to identify those SWOT analysis related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the SWOT analysis then make presentation of their findings



Points to Remember (Take home message)

SWOT analysis of the business

- Strengths
- Weaknesses
- Opportunities
- Threats



Learning out come 1.1 : formative assessment

Written assessment

1. What do you understand by these terms?
 - a) Industrial rivalry
 - b) Business
 - c) Environment
 - d) Business environment
2. Explain the types of business environment and give two examples for each type
3. Explain SWOT analysis in business plan

4. What do you understand by" PESTEL analysis as environmental factors of business
5. When you do business you are allowed to do a plan and analysis. Explain this statement "business cannot be better than the people in that business"
6. Uwase is planning to start a primary school as business in Rubavu town. She thinks this should be a good business opportunity but she wants to first of all analyze the external environment of her business.
 - a) What is a business opportunity
 - b) Use the P.E.S.T analysis and give two examples per each factor that she can analysis to assess her business opportunities
7. Complete the following SWOT chart by elements from the list below:

(Enough capital, risk taking capacity, poor communication skills, bad management, competitors, civil wars, availability of banks and micro finances, skilled labour)

SWOT chart

STRENGTHS	WEAKNESS
a)	a)
b)	b)
OPPORTUNITIES	THREATS
a)	a)
b)	b)

8. TIM restaurant is located in one of the commercial centers if Kigali dealing in zingalo a special type of meat brochette .TIM restaurant performed a SWOT analysis and found the information in the table below. Support TIM restaurant determines its Strengths ,Weakness ,Opportunities and Threats after reading the statements on the left (A)and fill in the words: Strengths, Weakness, Opportunities and Threats on the right column (B)

A	B
TIM restaurant makes the most delicious Zingalo in the center	

The supply of meat to TIM restaurant is limited by outbreak of cattle disease	
TIM restaurant Zingalo are served after long hours (3 hours)	
TIM restaurant take advantage of new estate in RUHASHYA open a branch to expand its business	
TIM restaurant infrastructures are not sufficient	

Answer sheet

1. a) **Industrial rivalry:** This refers to the extent to which firms within an **industry** put pressure on one another and limit each other's profit potential.

Alternatively Industrial rivalry refers to the number of competitors and their ability to challenge a company.

b) **Business:** refers to an economic activity that involves production and selling of goods, covering risks with an aim of making profits.

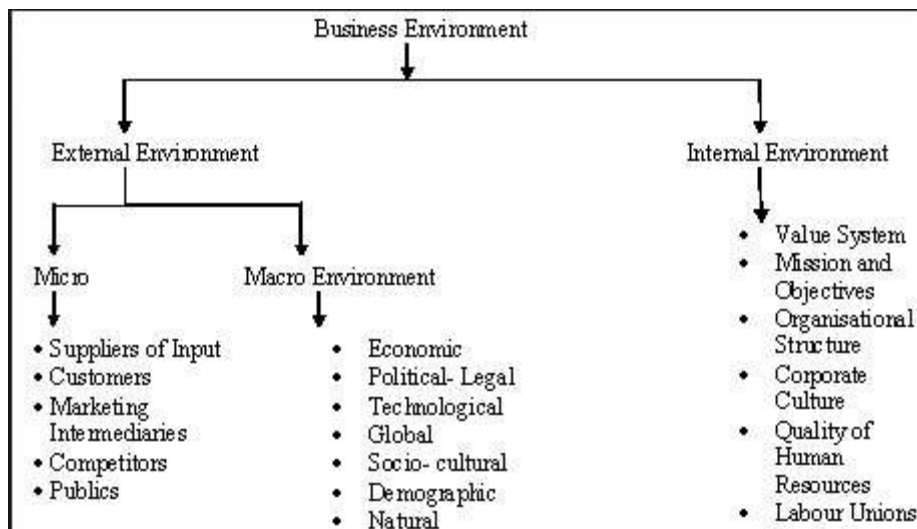
c) **Environment:** refers to man's surrounding and its composition which includes land, water, air, plants and animals, etc.

d) **Business environment:** refers to any kind of internal or external forces which have an effect on the operation of the business in a positive or negative way.

2. There are two types of business environment internal and external business environment.

Internal business environment refers to **internal** factors and resources that affect the running of the business while **external business environment** refers to of the factors outside the business that may affect its running and success.

Examples for each of the type are given in diagram below:



3. **SWOT analysis** is an analytical tool that can be used by the entrepreneur to check his/her business/product **Strength** and **Weakness**, **Opportunities** and **Threats** and to compare them with his/her competitors and therefore determine whether his/her business is in better position to compete or not.

4. A **PESTEL** analysis is a framework or tool used by marketers to analyse and monitor the macro-environmental (external marketing environment) factors that have an impact on an organisation.
 - i. **Political Factors:** These are all about how and to what degree a government intervenes in the economy.
 - ii. **Economic Factors:** Factors include – economic growth, interest rates, exchange rates, inflation, disposable income of consumers and businesses and so on.
 - iii. **Social factors:** All social factors that might affect sales of a product and services example: cultural implications, gender and connected demographics, social lifestyles, domestic structures, education levels, distribution of wealth, etc.....
 - iv. **Technological factors:** All factors due to changes in technology that may affect production and sale of the products and services example: new discoveries, rate of technological obsolescence, rate of technological advances, innovative technological platforms, etc....
 - v. **Legal factors:** All legal aspects or changes that may affect the business environment example: product regulations, employment regulations, competitive regulations, patent/copy right infringements, health and safety regulations, etc....
 - vi. **Environmental factors:** All environmental factors that can affect business operations example: geographical location, climate and weather, waste disposal laws, energy consumption regulation, people’s attitude towards the environment, etc....

5. This means that the business is as good as the workers and entrepreneur. Serious, committed, hardworking and trustworthy workers may lead a business to growth. The personal characteristics of the entrepreneur and managers of the business have a big role to play in determining the growth or failure of the business.

6.

a. business opportunity :is a chance situation that can turned into real and profitable business activity

b. PEST factors (political and regulatory trends, economic, social and technological trends are the most important trends entrepreneurs may wish to follows.

➤ **Political and regulatory changes:**

1. Change in business registration procedures
2. Environment regulation
3. Government policies on trade
4. Partnership with other states.

➤ **Economics trends:**

1. Increase or decrease in customer's disposable income
2. Drop or rise in interest rates
3. Rise or fall of unemployment
4. Who has money to spend (women, men, teenagers, retired?)

➤ **Social trends:**

1. The way people live and the products and services need
2. Demographic change
3. Roles of different peoples
4. What people do not want to consume
5. Life style

➤ **Technological trends:**

1. Recognizing how new technologies can be used
2. Internet technologies

7. SWOT chart

STRENGTHS	WEAKNESS
a)Enough capital b)Risk taking capacity	a)Poor communication skills b)Bad management
OPPORTUNITIES	THREATS
a)Availability of banks and micro finances b)Skilled labour	a)Civil wars b)Competitors

8.

A	B
TIM restaurant makes the most delicious Zingalo in the center	Strengths
The supply of meat to TIM restaurant is limited by outbreak of cattle disease	Threats
TIM restaurant Zingalo are served after long hours (3 hours)	Weakness
TIM restaurant take advantage of new estate in RUHASHYA open a branch to expand its business	Opportunity
TIM restaurant infrastructures are not sufficient	Weakness

Practical assessment

1. Clemence and her mother want to start a business of selling clothes in Mulindi market .her mother is suggesting that before starting they should conduct a competitor analysis but clemence did not understand why doing that. She wants the start without wasting time by conducting such competitor analysis .help her to understand five (5) Reasons to conducts a competitor analysis.
2. Angelique has a supermarket in Rusizi town. She sells quality products and provides a good customer care service. She has a big number of customers but lacks other

supporting staff that can help her to serve customers. She got a loan from the bank but she is not happy because of a high interest rate charged by the bank. analyse the SWOT for Angelique business and indicate the following

- a) Two strengths
- b) One weakness
- c) One opportunity..... ..
- d) One threat..... ..

Marking guide

1. Reason to conduct a competitor analysis

- Competition analysis helps to identify gaps in the market for products, services or initiative ,this helps to determine what you can provide that market gap
- It help to learn the competitor’s future strategies and make adjustments in advance before they are competed this helps to know how their strategies can affect you product and plan ahead
- It help to identify market opportunities and take advantages of them to grow your business
- It can give you ideas for new technologies and methodology that could be applied with you organize this can be copied from that competitor are using
- It help for pricing your good and service both competitively and strategically

2.

- a) Two strengths ...**Good quality product, Good customer care services.**
- b) One weakness ...**lack of the supporting staff**.....
- c) One opportunity.....**availability of customer, loan from bank**
- d)one threat.....**high loan interest rate**

Learning outcome 1.2. Conduct business feasibility study in line with business environment analysis results



Duration: 1hr



Learning outcome 1.2 objectives:

By the end of the learning outcome, the trainees will be able to:

1. Define clearly the basic concept of business feasibility study and their purposes for in line with business environment analysis results
2. Identify correctly the components of business feasibility study for business operations
3. Describe appropriately steps involved in feasibility analysis in line with business environment analysis results.



Resources

Equipment	Tools	Materials
-Computer - Projector - Scanner - Printer	- Flip chart - Marker pen	- Papers -Books



Advance preparation:

- .Internet
- .Skill lab



Content 1: Meaning of business environment in accordance with identified business idea

- **Meaning of business feasibility study**

Business feasibility study is the process of determining if a business idea is viable.

It takes all of a project's relevant factors into account including economic, technical, legal, and scheduling considerations to ascertain the likelihood of completing the project successfully.

It follows the opportunity recognition stage but comes before the development of a business plan. When a business idea is deemed not viable, it should be dropped.

- **Purpose of business feasibility study**

A feasibility study aims to objectively and rationally uncover the strengths and weaknesses of an existing business or proposed venture, opportunities and threats present in the natural environment, the resources required to carry through, and ultimately the prospects for success.

The following are some benefits of business feasibility study:

- ✓ Improves project teams' focus
- ✓ Identifies new opportunities
- ✓ Provides valuable information for a "go/no-go" decision
- ✓ Narrows the business alternatives
- ✓ Identifies a valid reason to undertake the project
- ✓ Enhances the success rate by evaluating multiple parameters
- ✓ Aids decision-making on the project



Theoretical learning Activity

- ✓ Brainstorming on business feasibility study and purpose of the business feasibility study ask trainees to identify those environment related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the business feasibility study then make presentation of the findings



Points to Remember (Take home message)

- ✚ **Meaning of business feasibility study**
- ✚ **The purpose of business feasibility study**



Content 2: Explaining the components of business feasibility study

- **Product feasibility:** This is an assessment of the overall appeal of the product or service being proposed. Before rushing a prospective product or service into development, a firm should be confident it's what customers want and that the product or service will have an adequate market.
- **Market feasibility:** This is an assessment of the overall appeal of the market for the product/service being proposed.

- **Organizational feasibility:** This is conducted to determine whether a proposal business has sufficient management expertise and other resources to successfully launch its business
- **Financial feasibility:** The most important issues to consider here are total start up cash needed, financial performance of similar businesses and the overall financial attractiveness of the proposed venture.
- **Recommendations and conclusion**



Theoretical learning Activity

- ✓ Brainstorming on the components of business feasibility study ask trainees to identify those components related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the components of business feasibility then make presentation of the findings



Points to Remember (Take home message)

- ✚ The components of business feasibility study:
 - ✓ Product feasibility
 - ✓ Market feasibility
 - ✓ Organizational feasibility
 - ✓ Financial feasibility
 - ✓ Recommendations and conclusion



Content 3: Analysing steps involved in feasibility analysis

- **Steps involved in feasibility analysis**
 - ✓ **Step 1. Conduct a preliminary analysis**

The first thing is to do in the project feasibility study is to outline your plan. This gives you a vision of what is the goal of your project and which areas your analysis must be going.

- ✓ **Step 2. Prepare a projected income statement**

This step requires you to work backwards. Start with what you expect the income from the project to be and then what investment is needed to achieve that goal. This is the foundation of an income statement. Things to take into account here include what services are required and how much they'll cost, any adjustments to revenues, such as reimbursements, etc.

✓ **Step 3. Conduct a market survey or Perform Market Research**

This step is key to the success of your feasibility study, so make it as thorough as possible. It's so important that if your organization doesn't have the resources to do a proper one, then it is advantageous to hire an outside firm to do so. The market research is going to give you the clearest picture of the revenues you can realistically expect from the project. Some things to consider are the geographic influence on the market, demographics, analysing competitors, value of market and what your share will be and if the market is open to expansion (that is, response to your offer).

✓ **Step 4. Plan business organization and operations**

Once you have precisely performed the previous three steps from the project feasibility study, it is now important to set up the organization and processes of the intended business endeavour. This step must include the start-up cost, investments including the operational costs.

The said cost includes factors such as equipment, marketing methods, infrastructure, personnel, supply convenience, etc. This may also include any known and surprising costs that may occur while implementing the project.

✓ **Step 6. Review and analyse all data**

All these steps are important, but the review and analysis are especially important to make sure that everything is as it should be and nothing requires changing or tweaking. So, take a moment to look over

your work one last time. Re-examine your previous steps, such as the income statement, and compare it with your expenses and liabilities. Is it still realistic? This is also the time to think about risk, analysing and managing, and come up with any contingency plans.

✓ **Step 7. Make "go/no go" decision**

You're now at the point to make a decision about whether the project is feasible or not. That sounds simple, but all the previous steps we're leading to this decision-making moment. A couple of other things to consider before making that binary choice is whether the commitment is worth the time, effort and money and is it aligned with the organization's strategic goals and long-term aspirations.



Theoretical learning Activity

Brainstorming on Steps involved in business feasibility analysis ask trainees to identify those Steps related to business feasibility analysis in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about Steps involved in business feasibility then make presentation of the findings



Points to Remember (Take home message)

✚ Steps involved in business feasibility analysis

- ✓ Step 1. Conduct a preliminary analysis
- ✓ Step 2. Prepare a projected income statement
- ✓ Step 3. Conduct a market survey
- ✓ Step 4. Plan business organization and operations
- ✓ Step 5. Prepare an opening day balance sheet
- ✓ Step 6. Review and analyse all data
- ✓ Step 7. Make "go/no go" decision



Learning out come 1.2 : formative assessment

Written assessment

1. What do you understand by the following terms business feasibility
2. Outline five (5) components of business feasibility study
3. Determine all steps involved in business feasibility analysis

Answer sheet

1.

Business feasibility: is concerned with testing various criteria to find out if the preferred business is worth doing it or not.

2. Components of feasibility study are:

- Product feasibility
- Market feasibility
- Organizational feasibility
- Financial feasibility
- Recommendations and conclusion

3. Steps involved in business feasibility analysis are:

Step 1. Conduct a preliminary analysis

Step 2. Prepare a projected income statement

Step 3. Conduct a market survey

Step 4. Plan business organization and operations

Step 5. Prepare an opening day balance sheet

Step 6. Review and analyse all data

Step 7. Make "go/no go" decision

Practical assessment

Q1. You have just established a mushroom growing business in your home area. You intend to launch your business to create community awareness. Prepare your launch program.

Answer sheet

Q1. A plan for launching my mushroom growing business. The following programme will be used for launching the project:

1. Name of business
2. Publicity
3. Seeking permission relevant authorities
4. Invitation of guests
5. Printing of information about the business e.g. price lists, catalogues, flyers,ect
6. Preparation of launching venue
7. Identification of the public address system/entertainments

7. Identification of the public address system/entertainments

8. Identify eyes and ears on ground for launch e.g. people who are going to make observations and listen to ascertain public impression about the product.

9. Selection of day and date

MUSHROOM BUSINESS LTD

P.O.BOX 333333

Producer of MUSHROOM, high quality and safe

LAUNCHING PROGRAMME

Venue: KABAYA – NYABIHU

Date: Friday 30th March 2018

Time: 12:00PM

TIME	ACTIVITY	PERSON RESPONSIBLE
10.00- 11.00Am	Arrangement of venue and seats ,organization of stage and installation of public address or musical system	
12.00Pm	Arrival of guest and registration	
12.30Pm	Arrival of chief guest	
12.40Pm	Prayer	
12.45Pm	Welcoming guests and introducing of the directors and managerial staff	
01.00pm	Presentation and display of business products and demonstrating the benefits of the products	

01.20pm	Organizing price winning raffles and giving free prices and samples to people	
01.30pm	Marketing manager's speech highlighting about the products being launched and answering people's questions and complaints	
02.00pm	Speech and official launch of the products by Chief guest	
03.00pm	Music interlude (Butera Knowless and King James)	
02.00pm	Speech and official launch of the products by Chief guest	
04.00pm	Promotional selling at reduced prices (Music in the background)	
06.00pm	Closure	

Learning outcome 1.3. Define elements of business plan



Duration: 1hr



Learning outcome 1.3


Objectives:

By the end of the learning outcome, the trainees will be able to:

1. Define clearly the basic concept of term business plan for business Operations
2. Identify correctly the Difference between business plan and project plan for business operations
3. Describe appropriately the Importance and The needs o of the business plan in line with business environment analysis results.



Resources

Equipment	Tools	Materials
-Computer - Projector - Scanner - Printer	- Flip chart - Marker pen	-Papers -Books
 Advance preparation: .Internet .Skill lab		



Content 1: Meaning of the term business plan and Difference between business plan and project plan

- **Meaning of the term business plan**

A business plan defined as a written document describing in details the objectives, goals and procedures of implementing or carrying out a business. It is designed to guide the implementation of a business.

- **Difference between business plan and project plan**

Business is a larger concept in comparison to a Project. A project is a work undertaken under a business organization ranging from manufacturing, trading or service industry of various goods or services. Business is an activity of conducting all such commercial transactions which covers such various projects which generate revenue and maximizes profits.

A business plan outline how a business is organized, sales and marketing strategies, business goals and a host of other details about a business. While A project plan is a document that outlines a specific project, what must be accomplished in the project, resources needed, dates and timelines and goals, etc.



Theoretical learning Activity

- ✓ Brainstorming on business plan and difference between business plan and project plan ask trainees to identify those business plan related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about business plan and difference between business plan and project plan then make presentation of the findings



Points to Remember (Take home message)

- ✚ **Meaning of the term business plan**
- ✚ **Difference between business plan and project plan**



Content 2: Importance of the business plan

The business plan has many importance. The following are some importance of business plan:

- **To Attract Investors.** Whether you want to shop your business to venture capitalists, or attract angel investors, you need to have a solid business plan.
- **To Test the Feasibility of Your Business Idea.** Writing a business plan is the best way to test whether or not an idea for starting a business is feasible, other than going out and doing it without having a plan.
- **To Give Your New Business the Best Possible Chance of Success.** Writing a business plan will ensure that you pay attention to both the broad operational and financial objectives of your new business and the details, such as budgeting and market planning.
- **To Secure Funding, such as Bank Loans.** Having a business plan gives you a much better chance of getting the money you need to keep operating or to expand. You're going to need both operating and start-up capital to start a new business and you have no hope of getting any money from established financial institutions such as banks without a well-developed business plan.
- A good business plan will help the entrepreneur attract partners and high quality employees to the business because it clearly indicates the future of the business.
- Provides room to understand risks involved



Theoretical learning Activity

- ✓ Brainstorming on importance of the business plan ask trainees to identify those importance related to business plan in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about importance involved in business plan then make presentation of the findings



Points to Remember (Take home message)

- ✚ **Importance of the business plan**
 - ✓ To Attract Investors
 - ✓ To Test the Feasibility of Your Business Idea
 - ✓ To Give Your New Business the Best Possible Chance of Success
 - ✓ To Secure Funding, such as Bank Loans



Content 3: The needs of the business plan

A business plan is needed to be used by many users depending on the type of the user each user need different information. Information in business plan used both internal and external of the business.

- **Internal use**

Inside the firm, it helps the company develop a “road map” to follow in executing its strategies and plans. Internal users of business plan include: Business owners (entrepreneurs), Managers, and employees

- **External use**

Outside the firm, it introduces potential investors and other stakeholders to the business opportunity the firm is pursuing and how it intends to pursue it. External users of business plan include: Government agents, Financial institutions, Investors, etc



Theoretical learning Activity

- ✓ Brainstorming on importance of the need of the business plan ask trainees to identify those need related to business plan in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the need involved in business plan then make presentation of the findings



Points to Remember (Take home message)

The needs of the business plan

- **Internal use**
- **External use**



Content 4: Elements of business plan

- **Title/cover Page**
The cover of the business plan is often the first impression of a business for interested parties or investors. The purpose of a cover is to tell the reader what document is about.
- **Executive Summary**
The purpose of executive summary is to summarize the key points of a business plan for its readers, saving them time and preparing them for the upcoming content.
- **Description of the business**
The business description section of a business plan is another section, coming after the executive summary. The business description outlines vital details about your company
- **Production plan**
Production plan is the guideline to create and monitor output of a product and how that output affects other parts of a business plan such as marketing, sales and logistics
- **Marketing plan**
A marketing plan is a business document outlining market strategy and tactics.
- **Business staff plan**

Staff or employees are the persons who work for the business in return for a wage or salary. They may be skilled, semi-skilled and unskilled

- **Financial plan**

A financial plan is a document that describes your current financial status, your financial goals and when you want to achieve them, and strategies to meet those goals.



Theoretical learning Activity

Brainstorming on the elements of business plan ask trainees to identify those elements related to business plan in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the elements of business plan involved in business plan then make presentation of the findings



Points to Remember (Take home message)

- Elements of business plan



Content 5: Risk associated to the business

- **Meaning of business risk**

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

The process of identifying risks, assessing risks and developing strategies to manage risks is known as risk management.

- **Types of risks associated to the business activities**

✓ **Internal Risks**

These are internal factors which affect the business but are within a company's control and sometimes occur as a result of improper systems put in place or the lack thereof.

✓ **External Risks**

External risks are outside the control of the project team and its host organization. Those risks are generally more difficult to predict and control.

External risks include:

- ❖ Competitive Risk.
- ❖ Economic Risk.
- ❖ Operational Risk.
- ❖ Legal Risk.
- ❖ Compliance Risk.
- ❖ Strategy Risk.
- ❖ Reputational Risk.
- ❖ Program Risk.



Theoretical learning Activity

Brainstorming on the risk associated to the business ask trainees to identify those risk related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the risk associated to the business involved in business then make presentation of the findings



Points to Remember (Take home message)

- Meaning of business risk
- Types of risks associated to the business activities



Learning outcome 1.3: formative assessment

Written assessment

1. In our life, the business can success or can fail. Explain the five (5) causes of failing in business
2. Business plan is a guide which outlines the goals and objectives of the business and roadmap of how to achieve them. State all elements must be included in a business plan
3. Explain the importance of business plan.

Answer sheet

1. The causes of failing in business are:

- Lack of buyers for the product
- Lack of good supplies of raw materials and product
- Bad workers
- Bad location of the business
- Financial risk: for losing money
- Career risk: unemployment when business collapses
- Social risk :entrepreneur may give up social life which affects family and relation
- Lack of skills& experience
- Mismanagement measure
- Poor business ethics
- Bad customer care
- Bad securities
- Bad location
- Lack of infrastructure

2. Elements that must be included in a business plan are:

- Title or cover page

- Executive summary
 - Description of the business
 - Production plan
 - Marketing plan
 - Organization plan
 - Financial plan
 - Action plan
3. The importance of business plan to various business stakeholders.
- i.** To Test the Feasibility of Your Business Idea
 - ii.** It helps an entrepreneur to avoid making unplanned expenditure
 - iii.** To Secure Funding, Such as Bank Loans or Equity Financing
 - iv.** To Make Business Planning Manageable and Effective
 - v.** It helps the entrepreneur to attract Investors or convince financiers
 - vi.** It helps the entrepreneur predict the profitability of the business, which in turn helps him/her plan for future expansion of the business.
 - vii.** It lays down the marketing strategies that will be used to promote sales.
 - viii.** It sets production targets which help the entrepreneur to know the specific resources necessary to achieve the set targets.

Practical assessment

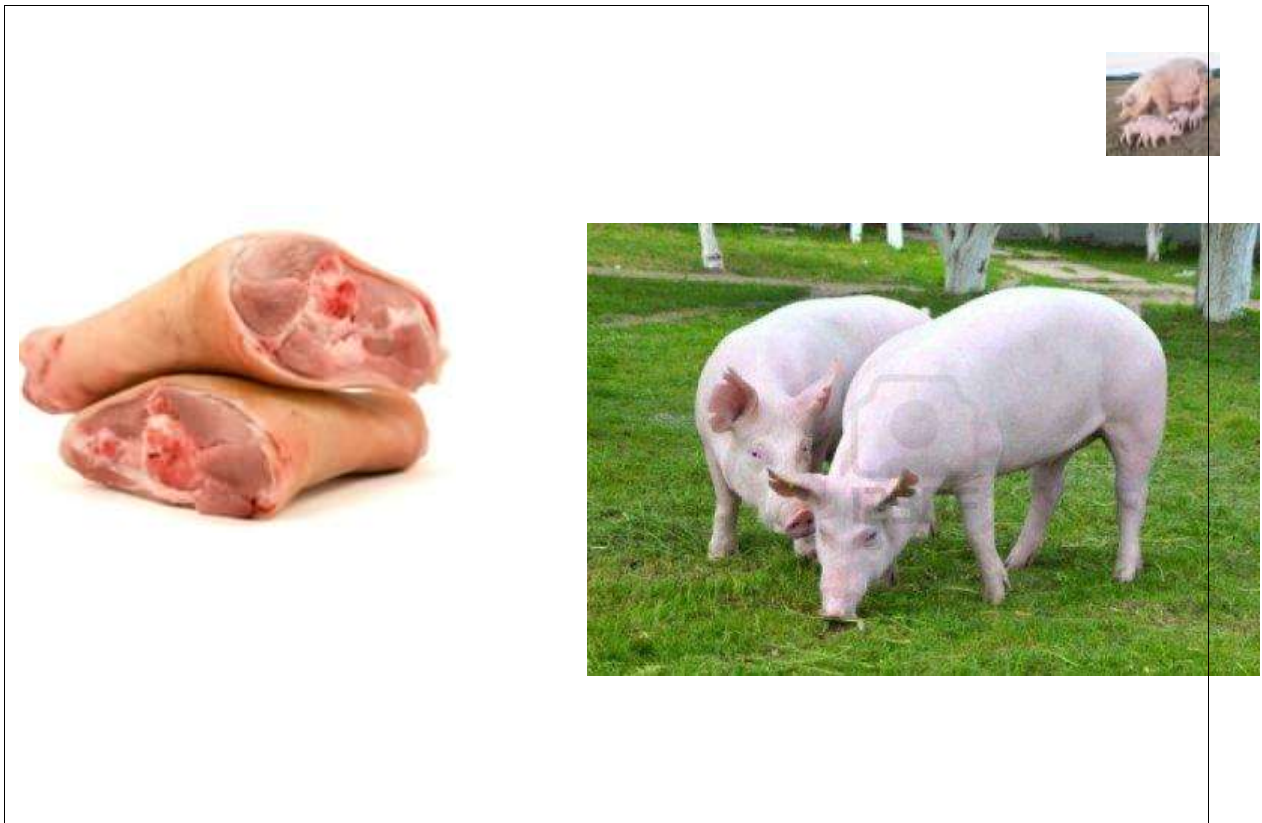
1. You planned to run a restaurants in Kigali city and you want to raise more start-up capital from different investors .Briefly ,tell him /her about your business

Solution

Elements to found on when presenting business plan to investor

- Name of the business
- Business owner
- Location of business
- Product(goods and services)provided
- Targeted customers
- Competitive advantages
- Marketing strategies
- SWOT analysis
- Work schedule/action plan
- Financial requirement
- Equity and credit need
- Expected return to investor

LEARNING UNIT 2: WRITE A BUSINESS PLAN IN LINE WITH THE IDENTIFIED ELEMENTS



STRUCTURE OF LEARNING UNIT

Learning outcomes:

- 2.1. Describe the business plan
- 2.2. Design business production plan in line with results from business environment analysis
- 2.3. Design marketing plan in line with market feasibility study and business products
- 2.4. Design business staff in line with business activities
- 2.5. Develop business financial plan in line with business needs

Learning outcome 2.1. Describe the business plan



Duration: 4hrs



Learning outcome 2.1 objectives:

By the end of the learning outcome, the trainees will be able to:

1. Identify correctly the elements of the business plan for business operations
2. Describe the components of business description; prepare some components of the business plan such as business description



Resources

Equipment	Tools	Materials
<ul style="list-style-type: none"> -Computer - Projector - Scanner - Printer 	<ul style="list-style-type: none"> - Flip chart - Marker pen 	<ul style="list-style-type: none"> – Papers -Books - business magazines



Advance preparation:

- .Internet
- .Skill lab



Content 1. Describing the elements of the business plan

- **Title Page/ Cover page**

The cover of the business plan is often the first impression of a business for interested parties or investors. The purpose of a cover is to tell the reader what document is about. Your cover should say the words business plan and should include:

- ✓ Business name
- ✓ Business logo Product mark
- ✓ Address including: Location, telephone, fax, email and company website, etc.
- ✓ Name of person who developed the business plan
- ✓ In which day, month and year plan is issued.

- **Table of contents**

All of a business plan should be correctly numbered and the table of contents should include page numbers. The table of contents allows to easily refer to sections within the plan. It is a quick overview of the document's content.



Theoretical learning Activity

1. Think-pair-share; on title page/ cover page ask trainees to identify those elements of the business plan related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the elements of the business plan of business plan like title page/ cover page then make presentation of the findings



Points to Remember (Take home message)

- ✚ Title Page/ Cover page
- ✚ Table of contents



Content 2: Executive summary

- **The purpose of executive summary**

The purpose of executive summary is to summarize the key points of a business plan for its readers, saving them time and preparing them for the upcoming content. It gives an overview or summary of all the other sections or key elements of the business plan. The executive summary is often called the most important part of the business plan because once it is well organized; it entices the reader to read the rest of the business plan.

The executive summary should be the first section of a business plan after the table of contents, though it is typically written last after all the other sections.

Basically, an executive summary discusses the following items:

- ✓ **Business name, address and contact person.**
- ✓ **Business idea and goals.** This section provides an overview of the business project, what product or service is being sold and what the entrepreneur's goals are. It also indicates where the business expects to be in a year's time and later.
- ✓ **Legal form e.g sole proprietorship, partnership, company.**
- ✓ **Marketing.** This part looks at how the products or services of business will be sold. Who will be the main target markets (customer groups)? And what are the main elements of the proposed advertising and promotion strategy for the firm?
- ✓ **Operations.** This is concerned with where the business will be located. How many staff will be needed and how they will be managed
- ✓ **Finances.** How much money is required to finance the plan, where will such capital be obtained from and how it will be repaid. How much profit the firm is expected to make by the end of the business plan time period?



Theoretical learning Activity

- ✓ Brainstorming on executive summary ask trainees to identify those executive summary related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the executive summary then make presentation of the findings



Points to Remember (Take home message)

Executive summary

Business name, address and contact person ,Business idea and goals, Legal form e.g sole proprietorship, partnership, company, Marketing, Operations, Finances.



Content 3: Business description

The business description section of a business plan is another section, coming after the executive summary. The business description outlines vital details about your company, such as:

- ✓ **The name of a business:** This is the official name of your business as registered in the country where you do business.
- ✓ **Contact address:** This is the contact anyone can use to ask some information about your business. It may be a phone number, email, website, fax and the location address of the business, etc.
- ✓ **Legal form:** A legal form of business refers to businesses allowed by the government to be run by business entrepreneurs. The business owner must choose the legal structure of his business. e. g. sole proprietorship, partnership, company, cooperative, etc.
- ✓ **Types of business:** The type of business refers to the nature of business like agribusiness, manufacturing; trading, service, etc
- ✓ **Description of the business idea and market:** This section includes the following;
 - **Information about the owner:** The first item in a plan should be written in the description of business owner background, including name, address, email, phone number, education, family status, sex etc
 - **Mission statement.** A clear mission statement that represent the purpose of your business;
 - **Objectives.** An outline of what you want to accomplish in the mediate future based on the data in the rest of the business plan as well as future growth goals.
 - **Vision statement** about how you envision the future of the company.
 - **Business location.** Where is the business / company and its headquarters?
 - **Business history.** When did the business start or when do you plan to start if it's a new business. What inspires you to start the business?
 - **Products or services and target market.** A brief overview of what you plan to sell and to whom.
 - Description of market which include geographical area, type of customers,

Size of total market, description of the competitors, market share for the new business, etc.

- the analysis of strengths, weaknesses, opportunities and threats (SWOT analysis).

SWOT Analysis of the business means:

- ✓ **Strengths of the business** are things within the business that give it advantage over other businesses such as product quality, convenient and good location, qualified personnel, good customer service, sufficient working capital, robust and adequate production capacity, modern technology, skilled motivated staff, etc.
- ✓ **Weaknesses of the business** are things within the business that limit its capacity and competitiveness such as poor product quality, poor product image, insufficient working capital, inadequate production capacity, having outdated technology, having unskilled staff, small distribution network, etc.
- ✓ **Opportunities of the business** are things outside of the business that are likely to benefit the business such as high population growth rate, international and national events, invention of new technology, new favourable government policies (e.g. waiving of income taxes from educational institutions and farmers), favourable changes in consumer tastes and preferences, possibility of securing a big order, reduction in poverty levels, etc.
- ✓ **Threats to the business** are things outside the business that are likely to negatively affect the business such as entry of new competitors, political instability, world insecurity or terrorism, increased taxation, unfavourable government policy, changing customer tastes and preferences, etc.



Theoretical learning Activity

Brainstorming on the business description after ask trainees to identify those element related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the business description then make presentation of their findings



Points to Remember (Take home message)

- The key tips include in the business description outlines vital details about your company, such as:
- SWOT Analysis of the business means



Learning outcome 2.1 : formative assessment

Written assessment

Q1. Describe the necessary information that must be included in business description

Q2. Suppose you have a dream to start your small business after studying. Describe that small business you want to open.

Q3. In your opinion, explain the meaning of business plan.

Q4. After your studies you have a dream to start a small business and you have just started writing your business plan. Explain how Rwanda Revenue Authority can use that business plan.

Answer sheet

Q1. The information which must be in the business plan is the following:

- Name of the owners and his contact details who submitted the plan, date and business name
- Company logo
- Business address including: Location, telephone, fax, email and company website,
- Tables of contents where all pages of a business plan should be correctly numbered and the table of contents should include page numbers.
- Executive summary which is an overview or summary of all the sections of the business plan such as business idea and goals, marketing, operations, finances and sales.

Q2. Akaryoshye's Bakery Business Description

a) The name of a business : AKARYOSHYE BAKERY

b) Contact address: - Telephone : +250 781111111

- Fax: +250 5860

- Email: akaryoshye@gmail.com

- Website: www.akaryoshye.com

- Location : BUKINANYANA CELL

KABEZA SECTOR

NGORORERO DISTRICT

WESTERN PROVINCE

RWANDA

c) Legal form: Sole proprietorship

d) Types of business: Manufacturing and retail

e) Description of the business idea and market

» Products or services: Akaryoshye Bakery will sell white bread and a variety of cakes. It will be located on a road with several small boutiques and is very near the district office and Secondary school. Orders will be accepted and delivered by bicycle, motorcycle and a pick-up, if it is necessarily. The bakery will serve customers in the neighborhood and offers a type of bread currently not sold by the main competitor in the whole district.

» Customers: My customers will be people who live in my neighborhood boutiques, the district staff and secondary school learners. If I am open 6 days a week, I expected to sell between 300 - 350 loaves of bread and 200 cakes per day.

» Business location: BUKINANYANA CELL
KABEZA SECTOR
NGORORERO DISTRICT
WESTERN PROVINCE
RWANDA

» Business history: I expect to start my business next month means that on 1st June 2018

» Vision. To deliver bread and cakes known for quality, efficiency, reliability and customer satisfaction.

» Mission: To deliver to our customers quality bread and cakes from reliable and quality suppliers and delivered to our customers when and where they need it in hygienic conditions while ensuring efficiency, integrity, sustainability and profitability.

» Objectives.

Short term objectives (one year)

- Sign a minimum of 400 customers by 30 July to December
- Achieve a profitability target of at least 30% by June 2019
- Recruit at least 6 staff by 31 June 2019

Long term objectives

- Expand our business in the whole country where in every province you will find our business branch.

» Description of market:

Akaryoshye Bakery will be located on the main road near several small boutiques and is very near the district office and Secondary school.

My customers will be people who live in my neighborhood boutiques, the district staff and secondary school learners. If I open 6 days a week, I expected 300 customers (district staff, boutiques, secondary students and neighbors) every day

Our competitor’s weaknesses: low quality bread, long distance from customers, no accessibility to persons with mobility impairment or wheelchair users, limited variety and unhygienic display.

» The analysis of strengths, weaknesses, opportunities and threats (SWOT Analysis) of AKARYOSHYE ‘BAKERY business:

STRENGTHS	WEAKNESSES
Product quality Convenient good location Qualified personnel Good customer service Adequate production capacity Modern technology Skilled motivated staff, etc.	Insufficient working capital; Small distribution network, etc.
OPPORTUNITIES	TREATS
High population growth rate International and national events Invention of new technology, New favourable government policies Favorable changes in consumer tastes Preferences, possibility of securing a big order, Reduction in poverty levels,	New competitors; World insecurity or terrorism; Increased taxation,

F. Information about the owner: (background, experience, Qualifications and skills):

- Background/experience/ Qualifications:

- Helped his family for running restaurant
- Helped family prepare foods and milk
- Serve foods and milk in restaurant
- Received TVET certificate in Hospitality

- **Skills**

- Good customer care
- Counting money and calculating the balance.

Q3. A business plan is a written document that sets out the business strategy and goals and how the business is going to achieve those goals. It will also contain some other information including what it sells, to whom and how and when it will make a profit.

Q4. Rwanda Revenue Authority can use my business plan to assess the viability of my business to determinate specific incentives like tax exemptions, credit guarantees and subsidies that the government may give to me. The business plan helps the government to plan for infrastructures and other services that it may want to put up. Rwanda Revenue Authority can use my business plan to ensure which tax my business should be taxed.

Practical assessment

Q1. Think about any small business that you can do in your vacation.

- Create the cover page of your business plan.
- Prepare the executive summary for your business

Q2. Suppose you want to open a restaurant in your home area, Set the mission and vision statement of your restaurant Set any three objectives of your business

Marking guide

Q1. a) The cover page of your business plan:

- Company logo : A picture of bread
- Business name: AKARYOSHYE BAKERY
- Location : BUKINANYANA- NGORORERO
- Telephone : +250 781111111
- Fax: +250 5860
- Email: akaryoshye@gmail.com
- Website: www.akaryoshye.com
- Name of the owner: KAMALI Felix
- Phone Number : +250 789999999
- Email: kamali@gmail.com

- Date: 1st May 2018

b) Summary of a business

Name of business: - Business name: AKARYOSHYE'S BAKERY

Contact address and phone number:

- Location : BUKINANYANA- NGORORERO
- Telephone : +250 781111111
- Fax: +250 5860
- Email: akaryoshye@gmail.com
- Website: www.akaryoshye.com

3) Legal form: Sole Proprietorship

4) Type of business: Manufacturing and retail

5) Description of business idea and market:

Products or services: Akaryoshye Bakery will sell white bread and a variety of cakes. It will be located on a road with several small boutiques and is very near the district office and Secondary school. Orders will be accepted and delivered by bicycle, motorcycle and a pick-up, if it is necessarily. The bakery will serve customers in the neighbourhood and offers a type of bread currently not sold by the main competitor in the whole district.

Customers: My customers will be people who live in my neighbourhood boutiques, the district staff and secondary school learners. If I am open 6 days a week, I expect to sell between 150 - 200 loaves of bread and 100 cakes per day.

6) Information about the owner of the business

(Background, experience, Qualifications and skills):

• Background/experience/ Qualifications:

- Helped his family for running restaurant
- Helped family prepare foods and bread
- Serve foods and bread in restaurant
- Finished senior six and got his/her secondary certificate.

• Skills

- Baking white and a variety of cakes
- Selling baked goods to customers

- Knowing some basic accounting for a business

7) Start-up capital

Investment 200,000Frw

Working capital 300,000Frw

Total 500,000Frw

8) Source of capital

Own savings 250,000Frw

Partner 100,000Frw

Friends' loan 50,000Frw

Bank loan 100,000Frw

Q2.

a) **Vision.** To be the best provider of quality food through unequalled customer service.

b) **Mission:** To deliver to our customers quality food items and soft drinks sourced from reliable and quality suppliers and delivered to our customers when and where they need it in hygienic conditions while ensuring efficiency, integrity, sustainability and profitability

c) **Objectives.**

Short term objectives (one year)

- Sign a minimum of 200 customers in every week
- Achieve a profitability target at least 50% by December 2018
- Recruit at least 5 staff by 31 December 2018

Long term objectives

- Expand a business at least in three provinces.
- Conclude the lesson by guiding the learners on what to retain in terms of next lesson, home works, organizing the class, etc.

Learning outcome 2.2. Design business production plan in line with results from business environment analysis



Duration: 4hr



Learning outcome 2.2 objectives:

By the end of the learning outcome, the trainees will be able to:

1. Identify correctly the production plan of the business plan for business operations
2. Describe the components of business production plan; prepare some components of the business plan such as business production.



Resources

Equipment	Tools	Materials
-Computer - Projector - Scanner - Printer	- Flip chart - Marker pen	- Papers -Books



Advance preparation:

- .Internet
- .Skill lab

Learning outcome 2.3. Design marketing plan in line with market feasibility study and business products



Duration: 4hr



Learning outcome 2.3 objectives:


By the end of the learning outcome, the trainees will be able to:

1. Define clearly the basic concept of marketing plan and their in line with market feasibility study and business products
2. Identify correctly the components of market feasibility study for business operations



Resources

Equipment	Tools	Materials
-Computer - Projector - Scanner - Printer	- Flip chart - Marker pen	- Papers -Books

 **Advance preparation:**

.Internet
.Skill lab



Content 1: Market research and Market Analysis

- **Market research**

Before you can begin marketing your product or service, you have to know the type of customers you are trying to attract to your business.

- **Market Analysis**

In writing up your market analysis, you'll get to demonstrate the knowledge you've gained about the industry, the target market you're planning to sell to, your competition, and how you plan to make yourself stand out. Outline your target market by listing characteristics such as:

***Geographical location of the customers**

List characteristics of your customers' locations such as their country, state, county and zip code. You can also identify consumers based on the characteristics of the area they live in, such as its climate, the population density and whether it's urban, suburban or rural.

***The size of the different market segments?**

A market segment is a group of people who share one or more common characteristics, lumped together for marketing purposes. Each market segment is unique, and marketers use various criteria to create a target market for their product or service.

Market segmentation can help you to target just the people most likely to become satisfied customers of your company or enthusiastic consumers of your content.

Types of Market Segmentation:

✓ **Demographic Segmentation**

Demographic segmentation refers to splitting up audiences based on observable, people-based differences. These qualities include things like age, sex, marital status, family size, occupation, education level, income, race, nationality and religion.

✓ **Behavioral Segmentation**

You can also segment your market based on consumers' behaviors, especially regarding your product. Dividing your audience based on behaviors they display allows you to create messaging that caters to those behaviors. Many of the actions you might look at relate to how someone interacts with your product, website, app or brand.

✓ **Geographic Segmentation**

Geographic segmentation, splitting up your market based on their location. A customer's location can help you better understand their needs and enable you to send out location-specific ads. There are several kinds of geographic segmentation. The most basic is identifying users based on their locations such as their country, state, county and zip code. You can also identify consumers based on the characteristics of the area they live in, such as its climate, the population density and whether it's urban, suburban or rural.

✓ **Psychographic Segmentation**

Psychographic segmentation is similar to demographic segmentation, but it deals with characteristics that are more mental and emotional. These attributes may not be as easy to observe as demographics, but they can give you valuable insight into your audience's motives, preferences and needs. Understanding these aspects of your audience can help you to create content that appeals to them more effectively. Some examples of psychographic characteristics include personality traits, interests, beliefs, values, attitudes and lifestyles.

That information can help you pinpoint the most effective media to use when you are marketing to your target clients

*The current and past trends affecting the market you plan to enter You need to take a look at trends the same way you look at population and demographics. Is there a shift to more natural or organic ingredients that might impact your business? How might energy prices figure in? The easy availability of the internet and smartphone technology? The questions will be different for every type of business, but it's important to think about the types of changes that could affect your specific market. In this section, you can cite experts from the research you've done-a market expert, market research firm, trade association, or credible journalist.

Explain your reasoning that may well have identified an opportunity that others are yet to recognize. This is done by identifying marketing trends such as growth of an age group, increase or decrease in expendable income, increase or decrease in number of children, etc.



Theoretical learning Activity

- ✓ Brainstorming on marketing plan ask trainees to identify those plan related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about the marketing plan then make presentation of the findings



Points to Remember (Take home message)

- ✚ Market research and market analysis
- ✚ Types of market segmentation



Content 2: Competition analysis and Target market

- **Major competitors**

Regardless of the size of the business, you likely have competitors who offer products and services that are similar to what your business provides. There is a need for every entrepreneur to identify who their competitor is, by name, listing the types of products and services they offer, the types of customers they target and take note of the tactics they use to attract and retain customers. This information will help him/her to develop his/her own marketing strategies and tactics.

- **The SWOT of your competitors**

SWOT Analysis of the business means:

- ✓ **Strengths of the business** are things within the business that give it advantage over other businesses such as product quality, convenient and good location, qualified personnel, good customer service, sufficient working capital, robust and adequate production capacity, modern technology, skilled motivated staff, etc.
- ✓ **Weaknesses of the business** are things within the business that limit its capacity and competitiveness such as poor product quality, poor product image, insufficient working capital, inadequate production capacity, having out-dated technology, having unskilled staff, small distribution network, etc.
- ✓ **Opportunities of the business** are things outside of the business that are likely to benefit the business such as high population growth rate, international and national events, invention of new technology, new favourable government policies, favourable

changes in consumer tastes and preferences, possibility of securing a big order, reduction in poverty levels, etc.

- ✓ **Threats to the business** are things outside the business that are likely to negatively affect the business such as entry of new competitors, political instability, world insecurity or terrorism, increased taxation, unfavourable government policy, changing customer tastes and preferences, etc.

-Use their weakness to compete them Sometimes there are weaknesses in your competitors that you can use to your benefit.

-Set strategy to address the threats

- **Target market**
 - ✓ **The group of customers that made you to start your business**

A target market refers to a group of customers to whom a company wants to sell its products and services, and to whom it directs its marketing efforts. Consumers who make up a target market share similar characteristics including geography, buying power, demographics, and incomes.

- ✓ **Your core customer**

Because you have limited time, resources, and budget, you cannot be everything to everyone. To effectively reach customers, you need to segment your target market into one primary market on which you focus most of your energy.



Theoretical learning Activity

- ✓ Brainstorming on the competition analysis and target market ask trainees to identify those market related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform competition analysis and target market then make presentation of the findings



Points to Remember (Take home message)

- **SWOT of your competitors**
- **Target market**



Content 3: Marketing objectives and Product description

- **Marketing objectives**

Marketing objectives are goals set by a business when promoting its products or services to potential consumers that should be achieved within a given time frame. The marketing section should clearly indicate the objectives to be achieved. Some objectives a business predicts to achieve include:

- ✓ **Market share:** the percent of total sales in an industry generated by a particular company.
- ✓ **Increase Sales and/or Revenue:** If you are selling products or services, you may want to focus on selling more of those offerings. This is one of the marketing objectives that will increase revenue and the amount of money coming into your business.
- ✓ **Increase brand awareness:** Brand awareness is the way in which consumers recognize and remember your business. The greater the brand awareness you have, the more audiences will be familiar with your logo, messaging, and products.
- ✓ **Increase Profit:** This marketing objective is different from increasing sales and revenue, because you may increase your profit through means other than selling more. This objective may include cutting expenses and overhead, selling more items that have higher margins, or other changes that increase profit (which may not necessarily increase revenue).
- ✓ **Target New Customers:** You may choose this goal if you already have a loyal client base but would like to expand out and reach new audiences, customers, and clients.
- ✓ **Retain Existing Customers:** Rather than focus on new customer acquisition, you may want to focus on keeping the existing customers you already have.
- ✓ **Promote New Products or Services**

If your upcoming plans include launching new offerings, your marketing objectives should include promoting those new products and services. NB: It is important to always ensure that your objectives are SMART. SMART stand for: Specific, Measurable, Achievable, Realistic, Time-bound (in time)



Theoretical learning Activity

Brainstorming on marketing objectives ask trainees to identify those objectives related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform marketing objectives then make presentation of the findings



Points to Remember (Take home message)

- Marketing objectives



Content 4: Marketing mix

- **Product description**

In the product description, you need to explain what your product or service is, the specific thrust of your plan, and the main strategies that will be used to accomplish your objectives. A definite product description provides customers with details around features, problems it solves and other benefits to help generate a sale.

In this section you explain the following:

- ✓ **Product positioning:** Positioning refers to the place that a brand occupies in the minds of the customers and how it is distinguished from the products of the competitors and different from the concept of brand awareness. It defines what makes your product unique and why it is better than alternative solutions.
- ✓ **The proportions of sales revenue for each type of product/service:** You have to forecast the ratio of sales each individual product will accounts for in a company's total sales. This is found by comparing the profit earned by a specific product to the total amount of sales brought in by the company during a specific period of time.
- ✓ **Economic value of your products/services:** Economic value is the value that person places on an economic good based on the benefit that they derive from the good. It is often estimated based on the person's willingness to pay for the good, typically measured in units of currency.
- ✓ **Specification (e.g. size, color, quality)**
- ✓ **Packaging**
- **Price of products/services**

This involves determining how you will price your product or service; the price you charge has to be competitive but still should allow you to make a reasonable profit. The pricing strategy you outline in your marketing plan will answer the following questions:

- What is the cost of your product or service?
- How much are customers willing to pay?
- What are competitors' prices?
- What is your price?
- Explain how the pricing of your product or service is competitive.

- **Place**

This section lays out the distribution plan for the product or service. It involves answering these questions:

- ✚ Where will you locate your business and why?
- ✚ At which market will you sell your product?
- ✚ What is channel of distribution of your product and why? (Reaching the customers by selling to Individual, Retailers Wholesalers, etc.)

The aim of place in the marketing plan is to make sure that the product is available at the right place, at the right time, in the right quantities.

- **Promotion**

Promotion includes a description of the planned actions to inform customers about the opening of new business. In this part you have to answer the following questions:

- ✓ How will you communicate to customers the availability of your product?
- ✓ How will you offer discount to customer?

The above questions may be addressed through the following activities:

- ✓ **Advertising.** The best approach to advertising is to think of it in terms of media and which media will be most effective in reaching your target market. Then you can make decisions about how much of your advertising budget you're going to spend on each medium.
- ✓ **Sales promotion.** If it's appropriate to your business, you may want to include sales promotion activities into your advertising and promotion plan, such as: offering free samples, offering credit facilities, offering discounts, product displays at the point of purchase, product demonstrations, that is, showing how the product works.
- ✓ **Marketing materials:** Every business will include business cards, brochures, and fliers in their promotion.

- ✓ **Publicity.** This is all about making people or the media spread awareness about your business.
- ✓ **Tradeshows.** Tradeshows can be incredibly effective promotion and sales opportunities where you reach a wide section of customer if you go to the right trade shows.



Theoretical learning Activity

Brainstorming on marketing mix ask trainees to identify those marketing related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform marketing mix involved in business then make presentation of the findings



Points to Remember (Take home message)

- **Marketing mix**



Content 5: Market Strategies, On-going marketing evaluation and Marketing budget

- **Market Strategies**

Marketing strategy is the comprehensive plan formulated particularly for achieving the marketing objectives of the organization. In this part of business plan, you can show:

- ✓ Who will be the partners of your business?
- ✓ How will you manage your customers?
- ✓ How will you increase market share?

Some types of marketing strategy are the following:

- **Niche Marketing**

This marketing strategy targets a defined demographic, psychographic and geographic market segment to become the market leader or specialist in a particular product.

- **Social Media Marketing**

With the increase in the use of social media, it is rapidly used by the business organization to communicate with a large number of audience and convert them into buyers.

Cross Promotion Marketing

Under cross-promotion marketing, one brand partners with one or more non-competitive brand to target similar customers for entirely different products. It is a strategy which is cost-efficient and extends the target market.

Trade Show Marketing

The trade show marketing strategy brings all the people dealing in a particular industry under a single roof. It is one of the popular strategy opted by the small organization to acquire bulk orders and meet new customers, vendors, partners, etc. for the growth of the business.

Freebie Marketing

This marketing strategy psychologically influences the buyers by giving out a low-value product as a gift with a high-value product. Getting something additional or complementary enhances the satisfaction level of the customers.

- **Ongoing marketing evaluation**

Techniques used after the marketing plan period to analyse success in achieving individual marketing objectives and to more broadly assess the entire organization's marketing efforts.

In this part of planning, as an entrepreneur you show the plan for:

- What methods will you use to track customer satisfaction?
- What methods will you use to track the effectiveness of your marketing activities?
- What communication will you use to get feedback from customers?

- **Marketing budget**

What will be the cost of marketing activities?

Marketing budget gives a clear overview of all the costs associated with carrying out your marketing activities, including advertising, online content, branding, public relations, staffing costs and more. It can help you to avoid unanticipated costs and reducing the possibility of overspending.



Theoretical learning Activity

Brainstorming on market strategies, on-going marketing evaluation and marketing budget ask trainees to identify those points related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform marketing budget involved in business plan then make presentation of the findings



Points to Remember (Take home message)

- Market strategies
- On-going marketing evaluation
- Marketing budget



Learning outcome 2.3: formative assessment

Written assessment

Q1. Suppose you want to start a bakery business, where you plan to make bread and different cakes and sell them in your village.

- Describe the nature your product.
- Who will be your target customers?
- How will you promote your products in order to reach your customers?

Answer sheet

Q1.

- Product Description:** Akaryoshye Bakery will sell white bread and a variety of cakes. It will be located on a road with several small boutiques and is very near the district's office and Secondary school. Orders will be accepted and delivered by bicycle, motorcycle and a pick-up, if it is necessarily. The bakery will serve customers in the neighborhood and offers a type of bread currently not sold by the main competitor in whole district.
- Target customers:** My target customers will be people who live in my neighborhood boutiques, the district staff and secondary school learners. If I am open 6 days a week, I expect to sell between 150 - 200 bread and 100 cakes per day.

- c) **Promotional activities:** To promote my products, I will advertise with signs, on the local radio and have my friends announce the opening in my neighborhood. I will paint a picture of delicious looking bread and different cakes .I will put that picture on the bread packages. I will launch my business where I offer free samples of different bread and cakes so people can taste how good the products are.

After your study, you want to start bakery business. Prepare a marketing plan for that business.

Practical assessment

Q1. After your study, you want to start bakery business. Prepare a marketing plan for that business.

Answer sheet

Q1.

- a) **Product description:** Akaryoshye Bakery will sell quality white and brown bread and a variety of cakes. It will be located on a road with several small boutiques and is very near the district office and Secondary school. All bread and cakes will be packed in paper bags. Orders will be accepted and delivered by bicycle, motorcycle and pick-up, if it is necessarily.
- b) **Customer description, demand/ need for the product, competition**
- 1) **Customer description:** My target customers will be people who live in my neighborhood small boutiques, the district staffs and secondary school students. If I am open 6 days a week, I expected to sell between 150 - 200 bread and 100 cakes per day.
- 2) **Demand/Need for the product:** The Akaryoshye Bakery will serve customers in the neighborhood and offer a type of bread currently not sold by the main competitors in whole district. People in the neighborhood tell me that they need a specialized bakery and that they like the bread and cakes I bake. I will make and offer different types of white and brown bread and cakes since my competitors offer few types of bread.

Some of my competitors don't sell white and brown bread and cakes on everyday so people will come to me if I sell them daily. Keza's bread and Cyiza's cakes are located in the market but their quality is not as good. I will also offer a variety of bread and cakes, which no body sells in the area. It is hard to estimate but I hope to get at least 60% of the market share since I will have a new type of bread and cakes and then a higher percentage as customers realize the high quality of my bread and cakes.

- 3) **Competition:** My competitors are small boutiques located near my business.

List of Competitors

Competitor	Products and service offer by competitor	Target customers	Tactics and strategies	Akaryoshye's bakery tactics and strategies
1. Keza Boutique	- White Bread - Brown bread	- Neighborhood - District staff -Secondary Students - Passengers	-Documented with invoice and receipts - One source for different items - Shopping bags and porters	-Better quality production - Delivery service
2. Cyiza diary	-Brown bread - Chapatis	-Neighborhood - District staff - Secondary Students - Passengers	-Proper storage ensure quality all the time - Permanent address	-High quality raw materials - Saves time - Saves expenditures on parking
3. Coffee shop	-Cakes - Chapatis -Bagel - Zopf	-Neighborhood - District staff - Secondary Students - Passengers	-Accept cash, cheques - Variety of products	- Accept cash, Mobile money, cheques and visa card transfer
4. Urwibutso restaurant	-Food - White Bread - Brown bread	-Neighborhood - District staff - Secondary Students - Passengers	-Defined timetable - Able to market and promote products and business	-Variety bread and cakes - Proper storage and delivery

- a) **Current production:** I have capacity to make 300 white and brown bread and 200 cakes per day. Keza Boutique 'bread seems less consistent, with perhaps 30 bread per day. Urwibutso restaurant focuses on food. Cyiza diary focused on milk and Coffee shop focused on coffee and cakes.
- b) **Price:** I am going to sell a bread at 80frw and 800frw according the size and a cake at 100frw, slightly higher than the main competitor but a common price in other parts of the district. I will be offering higher quality bread and cakes so I think

customers will come. If not I will reduce price to 70frw, 700frw accordingly and 80frw for a cake.

- c) **Sales forecast for next 12 months:** If I open 6 days a week, I expect to sell between 280 - 300 bread and 200 cakes per day. On average I will sell 7,200 bread (576,000Frw) and 4,800 cakes (480,000Frw) per month. This average will bring in 1,056,000Frw per month.

It is hard to estimate but I hope to get at least 60% of the market since I will have a new type of bread and cakes and then a higher percentage as customers realize the high quality of my bread and cakes.

- d) **Business location or business place:** Akaryoshye Bakery will be located on the main road near several small boutiques and is very near the district office and Secondary school. It is a busy area and very accessible to clients. I will reach to the customers by selling to individuals, retailers, wholesalers. Orders will be accepted and delivered by bicycle, motorcycle and pick-up, if it is necessarily.
- e) **Promotion:** I will advertise with brochures, posters, signs, on radio and have my friends announce the opening in my neighborhood. I will paint a picture of delicious looking bread and different cakes .I will put that picture on the bread packages.
- I will launch my business in opening ceremony where I offer free samples of different bread and cakes so people can taste how good the products are.
 - I will offer credit facilities and offering discount if customers will buy in large quantities.
 - I will freely offer my business cards and brochures to promote my products.
 - I will invite all my friends and nearborhood community people for special event to welcome them and to share some drinks.

Learning outcome 2.4. Design business staff in line with business activities



Duration: 4hr



Learning outcome 2.4

Objectives:

By the end of the learning outcome, the trainees will be able to:

1. Define clearly the basic concept of term business staff for business Operations
2. Describe appropriately the Designing business staff in line with business activities.



Resources

Equipment

- Computer
- Projector
- Scanner
- Printer

Tools

- Flip chart
- Marker pen

Materials

- Papers
- Books



Advance preparation:

- .Internet
- .Skill lab



Content 1: Job analysis

- **Job Analysis**

Job Analysis is a systematic exploration, study and recording the responsibilities, duties, skills, accountabilities, work environment and ability requirements of a specific job.

What are the business activities?

When conducting job analysis, begin by understanding the business activities and the requirements of the job need to be filled. What kind of personality, experience and education are needed? To determine these attributes, sit down and do a job analysis covering the following areas:

- ❖ The individual tasks involved
- ❖ The methods for completing each task
- ❖ The purpose and responsibilities of the job

- ❖ The relationship of the job to other jobs
- ❖ Qualifications needed for the job



Theoretical learning Activity

- ✓ Brainstorming on job analysis ask trainees to identify those analysis related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform job analysis then make presentation of the findings



Points to Remember (Take home message)

- **Job Analysis**



Content 2: Job description

What are the performance requirements to a specific task?

Job description is a document which states an overview of the duties, responsibilities and functions of a specific job in an organization. While planning your business, writing a job description for every position that you are planning is one of the most important steps that you shouldn't skip.

- **Benefits of a Job Description in a Business Plan**
 - ✚ It helps you attract the right employees
 - ✚ It gives a detailed description of an employee's job or position
 - ✚ It serves as a basis for outlining performance expectations, career advancement, job training, and job evaluation
 - ✚ It provides a reference point for compensation decisions as well as unfair hiring practices.

A job description typically includes the following:

- ✚ Job title
- ✚ Job objective or overall purpose statement
- ✚ Brief of the general nature and level of the job

- ✚ Detailed description of the wide scope of the position
- ✚ List of duties or tasks to be performed that are critical to success
- ✚ Key functional and relational responsibilities (listed in order of significance)
- ✚ Description of the relationships and roles within the company, including the supervisory roles, subordinating roles, and other working relationships
- ✚ Job requirements, standards, and specifications
- ✚ Job location where the work will be performed
- ✚ Equipment available to be used for the job
- ✚ Salary range



Theoretical learning Activity

- ✓ Brainstorming on importance of the job description ask trainees to identify those importance related to business plan in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform discuss about importance of job description involved in business plan then make presentation of the findings



Points to Remember (Take home message)

- **Job description**
- **Benefits of a job description in a business plan**



Content 3: Organizational structure

The organization plan shows how the business will be organized. It shows the hierarchy of the staff?

An organizational plan contains the following:

- State the legal structure of the business.
- State the size and composition of a Board of Directors. Identify the proposed board members and include a short statement about each member's background. This should show how relevant they are to the business.

- The people in the organization. Present the key management roles in the business and the individuals who will fill each position. State the current or past jobs that the key personnel of the business have worked in before.
- Describe the exact duties and responsibilities of every manager. For each individual, include a brief statement of career highlights that focuses on his or her ability to perform the assigned role.
- Explain how the business will be managed. Use an organization chart to explain the organization structure.
- People will supervise or manage other people?
- Tasks and responsibilities of each worker.
- Skills and experience required of each worker.
- Staff costs: salary and any other cost attached to each employee.



Theoretical learning Activity

- ✓ Brainstorming on the business staff ask trainees to identify those people related to business plan in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform business staff involved in business plan then make presentation of the findings



Points to Remember (Take home message)

- Organizational structure
- Indicators include in organizational plan



Learning outcome 2.4: formative assessment

Written assessment

Q1. True or false question

- a. Staff or employees are the persons who work for the business in return for a wage or salary. They may be skilled, semi-skilled and unskilled
- b. Job description is a systematic exploration, study and recording the responsibilities, duties, skills, accountabilities, work environment and ability requirements of a specific job.
- c. Job analysis is a document which states an overview of the duties, responsibilities and functions of a specific job in an organization.

Answer sheet

Q1. True or False question

- a. Staff or employees are the persons who work for the business in return for a wage or salary. They may be skilled, semi-skilled and unskilled **True**
- b. Job description is a systematic exploration, study and recording the responsibilities, duties, skills, accountabilities, work environment and ability requirements of a specific job. **False**
- c. Job analysis is a document which states an overview of the duties, responsibilities and functions of a specific job in an organization. **False**

Practical assessment

Q1. When you do business you are allowed to do a plan and analysis. Explain this statement “business cannot be better than the people in that business”

Solution

Q1. This means that the business is as good as the workers and entrepreneur. Serious, committed, hardworking and trustworthy workers may lead a business to growth. The personal characteristics of the entrepreneur and managers of the business have a big role to play in determining the growth or failure of the business.

Learning outcome 2.5. Develop business financial plan in line with business needs



Duration: 4hrs



Learning outcome 2.5 objectives:

By the end of the learning outcome, the trainees will be able to:

1. Define clearly the basic concepts of financial plan for business operations
2. Identify correctly the elements of financial plan for business operations
3. Describe appropriately business financial plan in line with business environment analysis results.



Resources

Equipment	Tools	Materials
-Computer - Projector - Scanner - Printer	- Flip chart - Marker pen	– Papers -Books



Advance preparation:

- .Internet
- .Skill lab



Content 1: Total cost and start-up requirements plan

- **Total cost**

Total cost = variable costs+ fixed costs

- **Start-up requirements plan**

Before starting new business, you have to prepare start-up budget which shows the expected sources of money and how the money will be spent.

A start-up budget is an itemized list of income and expenses for a new business, which often covers the period up to commencing operations and perhaps a small amount of time after operations have commenced. It shows:

- ✓ Cost items (What are the cost items your business will need in its first year of implementation)

There is certain amount of money is needed during the start - up process of a business for payments before the business begins, to earn its own income. This money is called start-up capital or start-up costs. It has two types:

- ✚ **Investment capital or pre-operation payment:** This means money that a person starting a business will have to pay before his business starts operating. it is spent on buying land, constructing a workshop, building a house for business, legal fees, water and electricity connection, licenses fees and insurance fees, etc.
- ✚ **Working capital or initial operation payment:** These are payments that take place when the business starts to operate to cover immediate expenses until revenues from sales flow back into the business.

2. Source of funds: what are the source of fund: Possible sources of funding include: own savings, partners, family, friends, money lenders, credit cooperatives, government schemes and bank loans.



Theoretical learning Activity

- ✓ Brainstorming on total cost and start-up requirements plan ask trainees to identify those plan related to the business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform total cost of selected business about the business plan then make presentation of the findings



Points to Remember (Take home message)

- **Total cost**
- **Start-up requirements plan**



Content 2: Projected cash flow statement

- **Cash flow statement** shows how finances(money) come in and out of the business. Using the cash statement, you can project and foresee shortages in time and find solutions so that your business does not get a cash crisis.

Under cash flows, we have the cash revenues (incomes/cash in) and cash payments (expenditures/cashout). These are further explained below:

- **Cash revenues:** This is a list all of the expected cash in (incomes) for each month in your financial year.
- **Cash revenues:** This is a list all of the expected cash in (incomes) for each month in your financial year. For you to get the total cash flows, you get the total cash in (revenue/incomes) and subtract total cash out (payments/expenditures). The balance is your total cash flows. If your total payments are higher than total incomes in other-wards you get a negative number after reconciliation, it means that you don't have enough cash flow to run the business in that particular month.
- **Projected cash flow statement or financial forecasts** assist you to meet your business goals. They are a future prediction of your business finances.

Although predicting the future of your business finances is not easy, especially if you're starting a business, forecasting and making adjustments frequently will enable you to become more accurate.

The following is an example of projected cash flow statement:

If the cash flow plan shows that the business is likely to run out of cash during any of the subsequent months, the entrepreneur can try taking the following measures:

Increasing cash inflow through:

- ✚ Increasing sales
- ✚ Giving less customer credit
- ✚ Using a bank overdraft
- ✚ Selling an investment item
- ✚ Asking a friend or family for money

Decreasing cash outflow through:

- ✚ Reducing operational costs
- ✚ Identifying a cheaper supplier
- ✚ Negotiating supplier credit
- ✚ Negotiating an extension of the loan period



Theoretical learning Activity

- ✓ Brainstorming on cash flow statement ask trainees to identify those statement related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform cash flow statement then make presentation of the findings



Points to Remember (Take home message)

- Cash flow statement



Content 3: Projected Income statement: Profit & Loss statement

Trading, profit and loss statement or Income statement is a financial statement or report showing the profit or loss for a business during a certain period, as well as the incomes and expenses that resulted into this overall profit and loss.

The amount of the profit or loss is computed based on the formula: **Revenue – Expenses = Profit/Loss.**

There are five specific steps to calculating the trading, profit and loss statements:

- i. **Sales or revenue:** Including sales for cash and credit
- ii. **Cost of goods sold:** This is the price paid by the business for merchandise sold; it can be computed by adding the value of the goods purchased during the period to the

initial stock, and then subtracting the value of the stock on hand at the end of the period.

iii. Gross profit: Calculated by subtracting the cost of goods sold from sales.

iv. Expenses: This includes labor costs and other costs of operating the business.

v. Net profit: Amount remaining when the expenses are deducted from the gross profit.

Note: Net purchases = Purchases – Return outwards

Goods available for sale = Opening stock + Carriage
 + Net purchases
 Cost of sales = Goods available for sale – Closing stock.

Gross profit = Net sales – Cost of sales.

a) **“T” Format or Horizontal format**

Dr	Trading Account for the year ended	Cr
Opening stock.....xxx Purchases..... xxx Less Return outward <u>– xxx</u> = Net purchases..... xxx Add Carriage inward... xxx..... <u>xxxx</u> = Available for sale.....= xxxx Less Closing stock..... <u>xxxx</u> = Cost of goods sold.= xxxx Gross profit (balance c/d)..... yyyy <u>TTT</u>	Sales .....yyyy Less Return inward.. - <u>yyyy</u> Net Sales.....= yyyy <div style="text-align: right; margin-top: 20px;"> } </div>	<div style="text-align: right; margin-top: 20px;"> <u>TTT</u> Gross profit (balance b/d)..... yyyy </div>

Report Format or Vertical format

SALE.....	.....	.....	XXX
Less Cost of goods sold:			
Opening stock:		XXX	

- **Trading, profit and loss statement**



Content 4: Projected balance sheet

A **balance sheet** is a financial statement or report which indicates what you own and what you owe on any given day in the life of a business.

The purpose of preparing the balance sheet includes the following:

- To ascertain the nature and value of assets of a business
- To ascertain the nature and amount of liabilities of a business
- To find out the financial solvency of the business or enterprise. An enterprise is considered to be solvent if its assets exceed the liabilities.
- The balance sheet has two parties: the assets and liabilities.

❖ **Assets:** They are resources or properties owned or possessed by a business that aid in the generation of income or facilitate business operations. Assets are categorized according to their nature into two major types:

- **Current assets:** These are assets that used in the period not later than one year. They include cash at hand, cash at bank, debtors (what people owe you) and inventory or stock, etc.
- **Fixed assets:** These are possessions or properties that can be used or benefit the business for the period beyond one year many and are not meant for sale. They include land, buildings, machinery and equipment, motor vehicles, furniture, etc.

❖ **Liabilities:** These are debts or amounts of money owed by the business to the outsiders or simply the claims on the business by outsiders. They are financial obligations of the business enterprise that must be repaid. They are what a company owes. Liabilities are classified into two types:

- **Current or short term liabilities:** These are liabilities payable with a short time, usually one financial year or accounting period. Examples, trade creditors, bank overdrafts, outstanding expenses, one-year short term bank loans, VAT, etc.
- **Long term liabilities:** These are debts or financial obligations that are payable over a long period of time, usually after one year. Examples include long-term bank loans,

bonds, debentures, mortgages, etc.

- ❖ **Owner's equity** is how much money company owners have invested in the business.
- . An example of a balance sheet

T-format

Assets	Balance sheet	Liabilities
<p>1. Fixed/ capital assets</p> <ul style="list-style-type: none"> - Land - Buildings - Fixtures and fittings - Machinery - Motor vehicle <p>2. Current assets</p> <ul style="list-style-type: none"> - Stock - Debtors - Bill receivable - Accrued income - Prepaid expenses - Bank - Cash 	<p>1. OWNER'S EQUITY</p> <p>Capital balance (b/d)</p> <p>Add. Net profit</p> <p>Less. Drawings</p> <p>= Capital balance c/d</p> <p>2. Long term liabilities</p> <ul style="list-style-type: none"> - Bank Loan - other loan <p>3. Current liabilities</p> <ul style="list-style-type: none"> - Creditors - Bill payables - accrued expenses - Prepaid income - bank overdraft 	



Theoretical learning Activity

- ✓ Brainstorming on Projected balance sheet after ask trainees to identify those statement related to business in class then let trainees present their findings



Practical learning Activity

✓ Trainees in pair perform balance sheet then make presentation of their findings



Points to Remember (Take home message)

- **Balance sheet**
- **Assets**
- **Liabilities**
- **Equity or Capital**



Content 5: Liquidity ratio

What is the business ability to pay its short term obligations?

These measure the ability of the enterprise to meet its short term maturing obligations. Therefore, they assess the level of current assets and current liabilities. These ratios include the following:

- **Current ratio**

It measures current assets against current liabilities.

$$\text{Current ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

This ratio shows whether the business is able to pay back its current liabilities using only its current assets.

The analysis of this ratio can be completed by the analysis of facility of current assets to be turned into cash.

It is best for this ratio to be about 2 (or 2:1)

- **Acid Test ratio or Quick ratio**

The Acid test or quick ratio takes into account only those current assets that are cash or can be changed very quickly into cash.

$$\text{Quick ratio} = \frac{\text{Current Assets} - \text{Stocks}}{\text{Current Liabilities}}$$

The interpretation is similar to current ratio although here the assets that are hard to realize are removed. While calculating the acid test ratio inventories are excluded.

Usually the ratio should be around 1:1. This ratio is also known as the quick ratio.

- **Cash ratio**

Indicates the cash available to pay the liabilities.

$$\text{Cash ratio} = \frac{\text{Cash} + \text{Cash equivalents}}{\text{Current liabilities}}$$

It is more refined since it assumes that debtors may not pay their accounts on time and stock will take time to convert into cash.



Theoretical learning Activity

- ✓ Brainstorming on liquidity ratio ask trainees to identify those ratio related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform liquidity ratio then make presentation of the findings



Points to Remember (Take home message)



- ✚ Current ratio
- ✚ Quick ratio
- ✚ Cash ratio

Content 6: Debt Equity ratio and Return on investment ratio

- **Debt Equity ratio**

This is the ratio of total debt to the total equity of the business. It measures the extent to which the borrowed funds are covered by the business owners' funds.

$$\text{Debt to equity ratio} = \frac{\text{Total liabilities}}{\text{Net worth}} \times 100$$

This ratio compares the amount invested by owners to that invested by other lenders. The higher the ratio, the higher the financial risk and vice versa.

- **Return on investment ratio**

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. 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.

For example, suppose Izere invested 100,000Frw in Popcorn in 2014 and sold his shares for a total of 120,000Frw one year later. To calculate his return on his investment, he would divide his profits (120,000Frw – 100,000Frw = 20,000Frw) by the investment cost (100,000Frw),

$ROI = 20,000Frw / 100,000Frw = 0.02$ or 20%.

ROI can help to answer questions like:

-What is profitability percentages on business performance?

-How efficiently the company will use their total assets base to generate sales



Theoretical learning Activity

- ✓ Brainstorming on the debt equity ratio and return on investment ratio ask trainees to identify those ratio related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform the debt equity ratio and return on investment ratio then make presentation of the findings



Points to Remember (Take home message)

- **Debt Equity ratio**
- **Return on Investment (ROI)**



Content 7: Breakeven point and Payback period

- **Breakeven point**

*At which point your business, product will become financially viable?

Break-Even Point (BEP) is that point of sales volume at which total revenue is equal to total costs. It is a no-profit, no-loss point.

- **Payback period**

*At which period the business will cover cash invested on its asset?

Payback period is the time in which the initial cash outflow of an investment is expected to be recovered from the cash inflows generated by the investment. Payback period refers to the period of time required to recoup the funds used in an investment, or to reach the break-even point. For example, a 100,000Frw investment made at the start of year 1 which returned 50,000Frw at the end of year 1 and year 2 respectively would have a two-year payback period.

The formula to calculate payback period of a project depends on whether the cash flow per period from the project is even or uneven. In case they are even, the formula to calculate payback period is:

$$\text{Payback Period} = \text{Initial Investment} \div \text{Cash Inflow per Period}$$

When cash inflows are uneven, we need to calculate the cumulative net cash flow for each period and then

Use the following formula for payback period:

$$\text{Payback Period} = A + \frac{B}{C}$$

In the above formula,

- A is the last period with a negative cumulative cash flow;
- B is the absolute value of cumulative cash flow at the end of the period A;
- C is the total cash flow during the period after A

Rule: Accept the project only if its payback period is less than the target payback period.

Examples:

Example 1: Even Cash Flows

The enterprise C is planning to undertake a project requiring initial investment of 105,000,000Frw. The project is expected to generate 25,000,000Frw per year for 7 years. Calculate the payback period of the project.

Solution

Payback Period = Initial Investment ÷ Annual Cash Flow = 105,000,000Frw ÷ 25,000,000Frw = 4.2 years

Example 2: Uneven Cash Flows

The enterprise C is planning to undertake a project requiring initial investment of 105,000,000Frw. The project is expected to generate 25,000,000Frw per year for 7 years. Calculate the payback period of the project.

Solution

Payback Period = Initial Investment ÷ Annual Cash Flow = 105,000,000Frw ÷ 25,000,000Frw = 4.2 years

Example 2: Uneven Cash Flows

Enterprise C is planning to undertake another project requiring initial investment of 50,000,000Frw and is expected to generate 10,000,000 in 1st; 13,000,000Frw in 2nd, 16,000,000Frw in 3rd, 19,000,000Frw in 4th and 22,000,000Frw in 5th. Calculate the payback value of the project.

(Cash flows in millions)		Cumulative Cash Flow
Year	Cash Flow	
0	(50)	(50)
1	10	(40)
2	13	(27)
3(A)	16	(11) B
4	19 (C)	8
5	22	30

Payback Period= 3 + (|-11M| ÷ 19M)

= 3 + (11M ÷ 19M)

≈ 3 + 0.58 ≈ 3.58 years



Theoretical learning Activity

Brainstorming on breakeven point and payback period ask trainees to identify elements related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform breakeven point and payback period make presentation of the findings



Points to Remember (Take home message)

- Breakeven point
- Payback period



Content 8: Projected sales plan and Loan payment plan

- **Projected sales plan**

You should know the monthly sales of all products, product range or services. Estimating the sales your business will generate over the forecast period can be difficult. If you are starting a new business you can base your estimates on market research and industry benchmarks. For an established business, take into account previous sales data over the same time period. You will also need to consider the current market and other economic conditions

- **Loan payment plan**

Loan payment plan is a plan for paying any outstanding debts. This is an agreement between a creditor and debtor that allows the debtor to pay off a debt with more manageable payment plan. Within a payment plan, the borrower agrees to pay back a certain amount of money each period (often each month) to repay the debt.



Theoretical learning Activity

- ✓ Brainstorming on projected sales plan and loan payment plan ask trainees to identify those elements related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform loan payment plan then make presentation of the findings



Points to Remember (Take home message)

- **Projected sales plan**
- **Loan payment plan**



Learning outcome 2.5 : formative assessment

Written assessment

Q1. After leaving the secondary school, Mutesi came up with any idea of starting a coffee shop in huye town . the total project cost is equal to one million Rwandan Francs (1000000).she is asking her self where she is get this starting capital from .Advise her one five (5) source of capital in business

Q2. Answer **True** or **False** from the following statement **4 marks**

- Trading account, its primary purpose of this statement is to indicate the net profit realized by a business in a certain period of time.
- Net Profit is obtained by taking sales revenue minus cost of goods sold?
- Income statement is one of the financial statement of a company that shows the company's expenses and revenues during a particular period.
- Net Sales is what remains after all returns inwards and sales discounts have been subtracted from gross sales.

Q3. choose the letter related to the best definition of balance sheet

- balance sheet is not a table of capital and liabilities and it shows the financial position of business at a certain period of time.
- balance sheet is a table of assets, capital and liabilities and it shows the financial position of business at a certain period of time.
- Balance sheet in a financial report that is prepare always at the end of the year

Q4. Answer True or False

- Accrued expenses is a part of current asset
- Prepaid income is a part of current asset

- c) Prepaid expenses are a part of current liabilities
- d) Accrued income is a part of current liabilities

Q5. Identify four sub-main parties of balance sheet

Q6. fill the following statement

.....is report that represent amount of money that actually comes in and goes out of a business during a period of time.

Answer sheet

Q1.

source of capital in business are:

- **Personal saving**
- **Selling her personal assets**
- **Bank loan**
- **Government grant**
- **Support from the family**
- **Inheritance**
- **Trade credit**
- **Selling share**
- **Salary wages**

Q2.

- i) False
- ii) False
- iii) True
- iv) True

Q3. The best definition is b)

Q4.

- a) False
- b) False
- c) False
- d) False

Q5.

- i) Current Assets
- ii) Fixed Assets
- iii) Capital
- iv) Current Liabilities

v) Long Term Liabilities

Q6. Cash Flow Statement is report that represent amount of money that actually comes in and goes out of a business during a period of time.

Practical assessment

Q1. The following are information obtained from the books of account of ALPHONSE's business for the period ending December 31, 2014

Particulars	Frw
Stock, 1 January 2014	1,000,000
capital	850,000
Loan from kalisa	100,000
Bank loan	50,000
sales	7,000,000
Purchases	5,000,000
Wages and salaries	500,000
Rent and salaries	360,000
Postages and telephone	120,000
Rent received	1,200,000
Stock, 31 December 2014	1,200,000

Prepare ALPHONSE's trading, profit and loss account for the year ended December 31, 2014

Q2. On 31 st December 2018 ,BTR Company LTD realized that during the trading period ,the following transactions took place

Items	Rwf
The motor vehicle worth	1500000
The purchases of goods on credit from Sandra at	800000
The sales of good on credit to clause at	600000
The bank loan worth	1000000
The bank overdraft worth	300000
The cash balance worth	200000

The bank balance worth	300000
The closing stock worth	500000

Determine the following :

- a) Total current assets
- b) Total current liabilities
- c) The working capital
- d) Total assets
- e) Total liabilities
- f) The start-up capital

Q3. Given the information below of Commercial Trading Company Ltd on 1st April 2018 a cash balance of \$ 10,000

It expected cash sales of \$ 5,000 per month.

Credit sales were to be \$ 3500 per month and payment would be made in the following month.

Monthly income from some of its own properties was expected to be \$ 1,000

Monthly purchases were \$ 6,000

The Monthly salary and wages payroll was projected to be \$ 800

A loan from Bank of Kigali \$ 10,000 in the month of April

Interest monthly payment of \$ 100 as on the Loan

Monthly raw materials for \$ 5,000

Required:

prepare Commercial Trading Company Ltd cash flow statement for next three months starting in April 2018

Q4. On 1 April 2010 MBAYA and sons started business with the following assets and liabilities:

Rwf	Rwf
Cash in hand.....130 000	Bank accounts.....120 000
BCR loan for 7 years.....130 000	Inventory.....200 000
Debtors.....50 000	Creditors.....130 000
Land and Building.....200 000	Accounts payables.....80 000
Accounts receivables.....100 000	Vehicles and equipment.....110 000

Drawings accounts.....110 000 Profits170 000
 Capital accounts.....600 000 Fittings.....90 000

You are required to draw up the balance sheet

Marking guide

Q1.

	Amount (Frw)	Amount (Frw)	Amount (Frw)
Sales			7,000,000
<u>Less cost of goods sold:</u>			
Opening stock		1,000,000	
Add: Purchases		<u>5,000,000</u>	
Goods available for sale		6,000,000	
Less: closing stock		(1,200,000)	
Cost of goods sold			<u>(4,800,000)</u>
Gross profit			2,200,000
Add: miscellaneous incomes:			<u>1,200,000</u>
Rent received			3,400,000
Gross income			
<u>Less operating expenses:</u>		500,000	

Wages and salaries		360,000	
Rent and salaries		<u>120,000</u>	
Postages and telephone			<u>(980,000)</u>
Total expenses			2,420,000
Net profit			

Q2.

a) Total current assets=Debtor claude +cash balance +bank balance =closing stock
 $=600000+200000+300000+500000=1600000\text{rwf}$

b) Total current liabilities =creditor Sandra+bank overdraft
 $=800000+300000=1100000\text{rwf}$

c) The working capital=current asset-current liabilities
 $=1600000-1100000=500000\text{rwf}$

d) Total assets=fixed asset + current asset
 $=1500000+1600000=3100000\text{RWF}$

e) Total liabilities=LTL+CURRENT LIABILITIES
 $1000000+1100000=2100000\text{RWF}$

F. The start-up capital= Total assets- Total liabilities

$3100000-2100000=1000000\text{RWF}$

Q3.

Commercial Trading Company Ltd cash flow statement 2018			
Details	April 2011 Rwfs	May 2011 Rwfs	June 2011 Rwfs
Cash inflows			
Cash balance b/d	10,000	14,100	11,700
Cash sales	5,000	5,000	5,000

Credit sales	.....	3,500	3,500
Rent income	1,000	1,000	1,000
Bank of Kigali loan	<u>10,000</u>	.....	.....
Total Cash inflow	26,000	23,600	21,200
Cash outflows			
Purchases	6,000	6,000	6,000
Salary and wages	800	800	800
Raw materials	5,000	5,000	5,000
Interest on loan	100	100	100
Total Cash outflow	11,900	11,900	11,900
Surplus (net cash position)	14,100	11,700	9,300

Q4.

ASSETS			CAPITAL & LIABILITIES		
		TOTAL		VALUE	TOTAL
<u>1. Fixed/ capital assets</u>			<u>1. Owner's equity</u>		
- Land and Buildings	200 000	400 000	Capital balance b/d.....	600 000	660 000
- Vehicle and equipment	110 000		Add Profit.....	<u>170 000</u>	
- Fittings.....	90 000			770 000	
<u>2. Current assets</u>			Less Drawings.....	<u>(110 000)</u>	
- Inventory.....	200 000		Capital balance c/d	.....
- Debtors.....	50 000		<u>2. Long term liabilities</u>		

- Accounts receivable	100 000		- Bank Loan		130 000
- Bank account.....	120 000				
- Cash.....	130 000	600 000	<u>3. Current liabilities</u>		
			- Creditors	130 000	
			- Accounts payables	80 000	210 000
Total assets		<u>1 000 000</u>	Total liabilities		<u>1 000 000</u>

3) Vertical form (most used)

<u>1. Fixed/ capital assets</u>			
- Land and Buildings.....		200 000	
- Vehicles and Equipment.....		110 000	
- Fixtures and fittings.....		<u>90 000</u>	400 000
<u>2. Current assets</u>			
- Inventory (closing).....	200 000		
- Debtors.....	50 000		
- Accounts receivables.....	100 000		
- Bank accounts.....	120 000		
- Cash in hand.....	130 000	600 000	
<u>3. Less Current liabilities</u>			
- Creditors.....	130 000		
- Accounts payables.....	<u>80 000</u>	<u>(210 000)</u>	
= NET CURRENT ASSETS	.....	.....	390 000
..			
<u>4. Less Long term liabilities (loan)</u>			
Bank loan.....			<u>(130 000)</u>

= NET ASSETS / NET WORTH			<u>660 000</u>
FINANCED BY			
Capital balance b/d.....		600 000	
Add Profits.....		<u>170 000</u>	
		770 000	
Less Drawing.....		<u>110 000</u>	
= CAPITAL BALANCE C/D.....		.....	<u>660 000</u>

LEARNING UNIT 3: ESTABLISH STRATEGIES TO MONITOR, EVALUATE AND UPDATE THE BUSINESS PLAN (CONTINGENCY PLAN)





STRUCTURE OF LEARNING UNIT

Learning outcomes:

- 3.1. Analyze risk in accordance with business environment
- 3.2. Assess identified risks in accordance with business plan developed
- 3.3. Explain business contingency plan concepts
- 3.4. Development of contingency plan in accordance of assessed risks

Learning outcome 3.1. Analyze risk in accordance with business environment



Duration: 1hr



Learning outcome 3.1 objectives:

By the end of the learning outcome, the trainees will be able to:

1. Define clearly the basic concepts of CANVAS model for business operations
2. Identify correctly the Assess identified risks for business operations
3. Describe appropriately business contingency plan in line with business environment analysis results.



Resources

Equipment	Tools	Materials
-Computer - Projector - Scanner - Printer	- Flip chart - Marker pen	- Papers -Books



Advance preparation:

.Internet

.Skill lab

.



Content 1: Meaning of Monitoring, Evaluation and Updating business plan

- **Monitoring** is the collection and analysis of information about a project or programme, undertaken while the project/programme is ongoing.
- **Evaluation** is the periodic, retrospective assessment of an organization, project or programme that might be conducted internally or by external independent evaluators.

Advantage of monitoring and evaluation is to ensure that the organization is following the direction established during strategic planning.

1. **Updating business plan:** It's OK to deviate from the plan or update it. The plan is only a guideline, not a strict roadmap which must be followed.

Usually the organization ends up changing its direction somewhat as it proceeds through the coming years. Changes in the plan usually result from changes in the organization's external

environment and/or client needs result in different organizational goals, changes in the availability of resources to carry out the original plan, etc.

Updating your business plan is essential to keep all your information up to date. It might need updating to show a change in physical location, alter your business goals, add a new business partner, or similar adjustments.



Theoretical learning Activity

- ✓ Brainstorming on monitoring, evaluation and updating business plan ask trainees to identify those elements related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform monitoring, evaluation and updating business plan about the business environment then make presentation of the findings



Points to Remember (Take home message)

- Monitoring
- Evaluation
- Updating business plan



Content 2: Important tools used in updating business plan

CANVAS model:

What are the 9 Elements of business canvas model?

There are nine building blocks that describe and assess a business model: **customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure.**

- **Customer segments**

These are the groups of people or companies that you are trying to target and sell your product or service to.

Segmenting your customers based on similarities such as geographical area, gender, age, behaviors, interests, etc. gives you the opportunity to better serve their needs, specifically by customizing the solution you are providing them.

After a thorough analysis of your customer segments, you can determine who you should serve and ignore. Then create customer personas for each of the selected customer segments.

There are different customer segments a business model can target and they are;

Mass market: A business model that focuses on mass markets doesn't group its customers into segments. Instead, it focuses on the general population or a large group of people with similar needs. For example, a product like a phone.

Niche market: Here the focus is centered on a specific group of people with unique needs and traits. Here the value propositions, distribution channels, and customer relationships should be customized to meet their specific requirements. An example would be buyers of sports shoes.

Segmented: Based on slightly different needs, there could be different groups within the main customer segment. Accordingly, you can create different value propositions, distribution channels, etc. to meet the different needs of these segments.

Diversified: A diversified market segment includes customers with very different needs.

Multi-sided markets: this includes interdependent customer segments. For example, a credit card company caters to both their credit card holders as well as merchants who accept those cards.

- **Customer relationships**

In this section, you need to establish the type of relationship you will have with each of your customer segments or how you will interact with them throughout their journey with your company.

There are several types of customer relationships

Personal assistance: you interact with the customer in person or by email, through phone call or other means

Dedicated personal assistance: you assign a dedicated customer representative to an individual customer.

Self-service: here you maintain no relationship with the customer, but provides what the customer needs to help themselves.

Automated services: this includes automated processes or machinery that helps customers perform services themselves.

Communities: these include online communities where customers can help each other solve their own problems with regard to the product or service.

Co-creation: here the company allows the customer to get involved in the designing or development of the product. For example, YouTube has given its users the opportunity to create content for its audience.

You can understand the kind of relationship your customer has with your company through a customer journey map. It will help you identify the different stages your customers go through when interacting with your company. And it will help you make sense of how to acquire, retain and grow your customers.

- **Channels**

This block is to describe how your company will communicate with and reach out to your customers. Channels are the touch points that let your customers connect with your company.

Channels play a role in raising awareness of your product or service among customers and delivering your value propositions to them. Channels can also be used to allow customers the avenue to buy products or services and offer post-purchase support.

There are two types of channels

Owned channels: company website, social media sites, in-house sales, etc.

Partner channels: partner-owned websites, wholesale distribution, retail, etc

- **Revenue streams**

Revenues streams are the sources from which a company generates money by selling their product or service to the customers. And in this block, you should describe how you will earn revenue from your value propositions.

A revenue stream can belong to one of the following revenue models,

Transaction-based revenue: made from customers who make a one-time payment

Recurring revenue: made from ongoing payments for continuing services or post-sale services

There are several ways you can generate revenue from

- Asset sales: by selling the rights of ownership for a product to a buyer
- Usage fee: by charging the customer for the use of its product or service
- Subscription fee: by charging the customer for using its product regularly and consistently
- Lending/ leasing/ renting: the customer pays to get exclusive rights to use an asset for a fixed period of time

- Licensing: customer pays to get permission to use the company's intellectual property
- Brokerage fees: revenue generated by acting as an intermediary between two or more parties
- Advertising: by charging the customer to advertise a product, service or brand using company platforms
- **Key Activities**

What are the activities/ tasks that need to be completed to fulfill your business purpose? In this section, you should list down all the key activities you need to do to make your business model work.

These key activities should focus on fulfilling its value proposition, reaching customer segments and maintaining customer relationships, and generating revenue.

There are 3 categories of key activities;

Production: designing, manufacturing and delivering a product in significant quantities and/ or of superior quality.

Problem-solving: finding new solutions to individual problems faced by customers.

Platform/ network: Creating and maintaining platforms. For example, Microsoft provides a reliable operating system to support third-party software products.

- **Key Resources**

This is where you list down which key resources or the main inputs you need to carry out your key activities in order to create your value proposition.

There are several types of key resources and they are

- Human (employees)
- Financial (cash, lines of credit, etc.)
- Intellectual (brand, patents, IP, copyright)
- Physical (equipment, inventory, buildings)

- **Key Partners**

Key partners are the external companies or suppliers that will help you carry out your key activities. These partnerships are forged in order to reduce risks and acquire resources.

Types of partnerships are

- ✚ Strategic alliance: partnership between non-competitors
- ✚ Competition: strategic partnership between partners
- ✚ Joint ventures: partners developing a new business

✚ Buyer-supplier relationships: ensure reliable supplies

- **Cost structure**

In this block, you identify all the costs associated with operating your business model.

You'll need to focus on evaluating the cost of creating and delivering your value propositions, creating revenue streams, and maintaining customer relationships. And this will be easier to do so once you have defined your key resources, activities, and partners.

Businesses can either be cost-driven (focuses on minimizing costs whenever possible) and value-driven (focuses on providing maximum value to the customer).

- **Value propositions**

This is the building block that is at the heart of the business model canvas. And it represents your unique solution (product or service) for a problem faced by a customer segment, or that creates value for the customer segment.

A value proposition should be unique or should be different from that of your competitors. If you are offering a new product, it should be innovative and disruptive. And if you are offering a product that already exists in the market, it should stand out with new features and attributes.

Value propositions can be either quantitative (price and speed of service) or qualitative (customer experience or design).

* **Marketing plan review:** is a thorough review of your marketing plan, objectives, strategies, and current activities being executed in your business. The objective is to see what's working and what isn't so you can identify areas for improvement.



Theoretical learning Activity

- ✓ Brainstorming on Important tools used in updating business plan ask trainees to identify those tools related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform marketing plan review then make presentation of the findings



Points to Remember (Take home message)

- **CANVAS model**
- **Marketing plan review**



Content 3: Importance of Monitoring and Evaluation

The following are some importance of monitoring and evaluation:

- Provide constant feedback on the extent to which the projects are achieving their goals.
- Identify potential problems at an early stage and propose possible solutions.
- Monitor the accessibility of the project to all sectors of the target population.
- Monitor the efficiency with which the different components of the project are being implemented and suggest improvements.
- Evaluate the extent to which the project is able to achieve its general objectives.
- Provide guidelines for the planning of future projects.
- Influence sector assistance strategy. Relevant analysis from project and policy evaluation can highlight the outcomes of previous interventions, and the strengths and weaknesses of their implementation.
- Improve project design.



Theoretical learning Activity

- ✓ Brainstorming on importance of monitoring and evaluation after ask trainees to identify those importance related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform monitoring and evaluations then make presentation of their findings



Points to Remember (Take home message)

Importance of monitoring and evaluation



Content 4: Steps involved in risk analysis.

Risk Analysis is a process that helps you identify and manage potential problems that could undermine key business initiatives or projects.

*Identify threats

To carry out a Risk Analysis, you must first identify the possible threats that you face, and then estimate the likelihood that these threats will materialize. These threats are related:

- ✚ Financial: Business failure, stock market fluctuations, interest rate changes, or non-availability of funding.
- ✚ Technical: Advances in technology, or from technical failure.
- ✚ Political: Changes in tax, public opinion, government policy, or foreign influence.
- ✚ Natural: Weather, natural disasters, or disease.
- ✚ Structure: Dangerous chemicals, poor lighting, falling boxes, or any situation where staff, products, or technology can be harmed.
- ✚ Threats identification tools: Tools such as SWOT Analysis PESTEL Analysis can be used in risk analysis

*Estimate risks

Once you've identified the threats you're facing, you need to calculate out both the likelihood of these threats being realized, and their possible impact.

Risk estimation tools:

- ✓ Risk impact chart
- ✓ Probability chart

The Risk Impact/Probability Chart provides a useful framework that helps you decide which risks need your attention. The Risk Impact/Probability Chart is based on the principle that

a risk has two primary dimensions:

Probability – A risk is an event that "may" occur. The probability of it occurring can range anywhere from just above 0 percent to just below 100 percent. (Note: It can't be exactly 100 percent, because then it would be a certainty, not a risk. And it can't be exactly 0 percent, or it wouldn't be a risk.)

Impact – A risk, by its very nature, always has a negative impact. However, the size of the impact varies in terms of cost and impact on health, human life, or some other critical factor.



Theoretical learning Activity

- ✓ Brainstorming on risk analysis after ask trainees to identify those analysis related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform the risk analysis then make presentation of their findings



Points to Remember (Take home message)

- Identify threats
- Estimate risks



Learning outcome 3.1 : formative assessment

Written assessment

Q1. William owns a bar from June 2018 .he spent a lot of money in promoting his business but up to now he is not realizing a profit .He wants to stop the business but he does not want to suffer from the business associated risks . what are five (5) risks associated with the running of a business activity?/

Answer sheet

Q1. Risks associated with the running of a business activity

- **Financial risk:** for losing money
- **Career risk:** unemployment when business collapses
- **Social risk :**entrepreneur may give up social life which affects family and relation
- **Lack of skills& experience**
- **Mismanagement measure**
- **Poor business ethics**

Practical assessment

Q1. cafeteria, mobile money (Airtel money, MTN mobile money and Tigo cash) and deliver electricity (cash power) in high mountain region where many people ignore how to use phones and IT equipment. Identify and discuss on all possible risks that may occur in your business.

Marking guide

Q1.

External risks :

- Earthquake
- Floods
- Change in environment
- Changes in consumer preference
- Competitors

Internal risks:

- Computer damaged
- Unskilled employees
- Computer network failures
- Problems associated with using outdated equipment
- Failures or interruptions to the delivery of electricity, water, transport and telecommunications.
- Infrastructure problems such as supply electricity, availability of software and servers, etc.

Learning outcome 3.2. Assess identified risks in accordance with business plan developed



Duration: 1hr



Learning outcome 3.2 objectives:

By the end of the learning outcome, the trainees will be able to:

1. Define clearly the basic concepts of SWOT analysis for business operations
2. Identify correctly the PESTLE analysis for business operations
3. Describe appropriately PESTLE analysis in line with business environment analysis results.



Resources

Equipment	Tools	Materials
-Computer - Projector - Scanner - Printer	- Flip chart - Marker pen	– Papers -Books



Advance preparation:

- .Internet
- .Skill lab
- .



Content 1: Factors influencing risks assessment

- SWOT analysis

SWOT stands for Strengths, Weaknesses, Opportunities, and Threats. This analysis can be useful in assessing business risks. By using this you can analyze the following:

- What factors are critical for the success of your plan?
- What risk does your plan should face?
- Analyze the source of the risk, the probability of it happening and the effects.
- What measures can you take to avoid these risks? After analyzing all risks you have to think about strategies to avoid those risks.

Define operational plan

- **PESTEL analysis:**

What factors are critical for the success of your plan in relation with **Politics, Economy, social, Technological, Environment and Legal**

What measures can you take to avoid these risks Define operational plan



Theoretical learning Activity

- ✓ Brainstorming on SWOT analysis and PESTEL analysis ask trainees to identify those analysis related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform SWOT analysis then make presentation of the findings



Points to Remember (Take home message)

- SWOT Analysis
- PESTEL Analysis



Learning out come 3.2 : formative assessment

Written assessment

Q1. Explain SWOT analysis in business plan

Q2. What do you understand by" PESTEL analysis as environmental factors of business

Q3. When you do business you are allowed to do a plan and analysis. Explain this statement "business cannot be better than the people in that business"

Q4. Uwase is planning to start a primary school as business in Rubavu town. She thinks this should be a good business opportunity but she wants to first of all analyze the external environment of her business.

c) What is a business opportunity

d) Use the P.E.S.T analysis and give two examples per each factor that she can analysis to assess her business opportunities

Q5. Complete the following SWOT chart by elements from the list below:

(Enough capital, risk taking capacity, poor communication skills, bad management, competitors, civil wars, availability of banks and micro finances, skilled labour)

SWOT chart

STRENGTHS	WEAKNESS
a)	a)
b)	b)
OPPORTUNITIES	THREATS
a)	a)
b)	b)

Answer sheet

Q1. SWOT analysis is an analytical tool that can be used by the entrepreneur to check his/her business/product **S**trength and **W**eakness, **O**pportunities and **T**hreats and to compare them with his/her competitors and therefore determine whether his/her business is in better position to compete or not.

Q2. A PESTEL analysis is a framework or tool used by marketers to analyse and monitor the macro-environmental (external marketing environment) factors that have an impact on an organisation.

- vii. Political Factors: These are all about how and to what degree a government intervenes in the economy.
- viii. **Economic Factors:** Factors include – economic growth, interest rates, exchange rates, inflation, disposable income of consumers and businesses and so on.
- ix. **Social factors:** All social factors that might affect sales of a product and services example: cultural implications, gender and connected demographics, social lifestyles, domestic structures, education levels, distribution of wealth, etc.....
- x. **Technological factors:** All factors due to changes in technology that may affect production and sale of the products and services example: new discoveries, rate of technological obsolescence, rate of technological advances, innovative technological platforms, etc.....
- xi. **Legal factors:** All legal aspects or changes that may affect the business environment example: product regulations, employment regulations, competitive regulations, patent/copy right infringements, health and safety regulations, etc....
- xii. **Environmental factors:** All environmental factors that can affect business operations example: geographical location, climate and weather, waste disposal laws, energy consumption regulation, people’s attitude towards the environment, etc....

Q3. This means that the business is as good as the workers and entrepreneur. Serious, committed, hardworking and trustworthy workers may lead a business to growth. The personal characteristics of the entrepreneur and managers of the business have a big role to play in determining the growth or failure of the business.

Q4.

- a. **business opportunity** :is a chance situation that can turned into real and profitable business activity
- b. **PEST factors** (political and regulatory trends, economic, social and technological trends are the most important trends entrepreneurs may wish to follows.

➤ **Political and regulatory changes:**

1. Change in business registration procedures
2. Environment regulation
3. Government policies on trade
4. Partnership with other states.

➤ **Economics trends:**

1. Increase or decrease in customer's disposable income
2. Drop or rise in interest rates
3. Rise or fall of unemployment
4. Who has money to spend (women, men, teenagers, retired?)

➤ **Social trends:**

1. The way people live and the products and services need
2. Demographic change
3. Roles of different peoples
4. What people do not want to consume
5. Life style

➤ **Technological trends:**

1. Recognizing how new technologies can be used
2. Internet technologies

Q5. SWOT chart

STRENGTHS	WEAKNESS
a)Enough capital	a)Poor communication skills
b)Risk taking capacity	b)Bad management
OPPORTUNITIES	THREATS
a)Availability of banks and micro finances	a)Civil wars
b)Skilled labour	b)Competitors

Practical assessment

Q1. Angelique has a supermarket in Rusizi town. She sells quality products and provides a good customer care service. She has a big number of customers but lacks other supporting staff that can help her to serve customers. She got a loan from the bank but she is not happy because of a high interest rate charged by the bank. Analyse the SWOT for Angelique business and indicate the following

- a) Two strengths
- b) One weakness

- c) One opportunity.....
- d) One threat.....

Marking guide

- Q1. a) Two strengths ...**Good quality product, Good customer care services.**
- b) One weakness ...**lack of the supporting staff**.....
- c) One opportunity.....**availability of customer, loan from bank**
- D) One threat.....**high loan interest rate**

Learning outcome 3.3. Explain business contingency plan concepts



Duration: 1hr



Learning outcome 3.3 objectives:


By the end of the learning outcome, the trainees will be able to:

1. Define clearly the basic concepts of contingency plan for business operations
2. Identify correctly the important of contingency plan for business operations
3. Describe appropriately business guidelines to create a Business Contingency Plan in line with business environment analysis results.



Resources

Equipment	Tools	Materials
-Computer	- Flip chart	– Papers

<ul style="list-style-type: none"> - Projector - Scanner - Printer 	<ul style="list-style-type: none"> - Marker pen 	<ul style="list-style-type: none"> -Books
<div style="display: flex; align-items: flex-start;">  <p>Advance preparation:</p> <ul style="list-style-type: none"> .Internet .Skill lab . </div>		



Content 1: Meaning of contingency plan and Purpose of contingency plan

- **Meaning of contingency plan**

A contingency plan is a course of action designed to help an organization respond effectively to a significant future event or situation that may or may not happen. A contingency plan is sometimes referred to as “Plan B” because it can be also used as an alternative for action if expected results fail to materialize.

- **Purpose of contingency plan**

Contingency planning aims at preparing an organization to respond well to an emergency and its potential humanitarian impact.

The purpose of a contingency plan is to allow an organization to return to its daily operations as quickly as possible after an unforeseen event. The contingency plan protects resources, minimizes customer inconvenience and identifies key staff, assigning specific responsibilities in the context of the recovery.



Theoretical learning Activity

- ✓ Brainstorming on contingency plan and the purpose of contingency plan ask trainees to identify those contingency related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform contingency plan then make presentation of the findings



Points to Remember (Take home message)

- **Meaning of contingency plan**
- **Purpose of contingency plan**



Content 2: Importance of contingency plan and Types of business contingency plan

Planning is important for every aspect of life. It is crucial for a business because it can be great for preventing risks. In simple words, **contingency plans** are backup **plans** that businesses activate only when a disaster or unforeseen situation disrupts the operations of the company or put its employees at risk. The following are some importance of contingency plan:

- contingency plans increase flexibility
 - contingency plans reduce panic and promotes action
 - contingency plans help in minimizing losses
 - contingency plans help for a quicker reaction
 - contingency plans help for eliminating last minute comprehension
 - contingency plans increase insurance and credit credibility
 - contingency plans keep your business running
 - contingency plans improve your organization's reputation
- **Types of business contingency plan**

The exact type of contingency plan you create should depend on the type of business and the location. It should be based on the risks that you predict to face? It's essentially based on "What if...?" scenarios. What if the market crashes? What if there is a labor shortage? What if the client does not pay? What if our system goes down unexpectedly? Etc. Therefore, you can create market contingency plan, labor contingency plan, financial contingency plan, etc.



Theoretical learning Activity

- ✓ Brainstorming on importance of contingency plan ask trainees to identify those importance related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform importance of contingency plan then make presentation of the findings



Points to Remember (Take home message)

- importance of contingency plan



Learning outcome 3.3: formative assessment

Written assessment

Q1. What do you understand by "contingency plan"?

Answer sheet

Q1. A contingency plan is a course of action designed to help an organization respond effectively to a significant future event or situation that may or may not happen.

Learning outcome 3.4. Development contingency plan in accordance of assessed risk



Duration: 1hr



Learning outcome 3.4 objectives:

By the end of the learning outcome, the trainees will be able to:

1. Identify correctly the Steps involved in contingency planplan for business operations
2. Describe Specific strategies to make the contingency plan operational such as business description



Resources

Equipment	Tools	Materials
-Computer - Projector - Scanner - Printer	- Flip chart - Marker pen	– Papers -Books - business magazines



Advance preparation:

- .Internet
- .Skill lab



Content 1: Steps involved in contingency plan and Specific strategies to make the contingency plan operational

- **Steps involved in contingency plan**

- Identifying requirements related to specific contingency plan

- Cost Calculation of requirements identified

- Appreciation of company capacity to cover risks identified

- Decide choice to undertake such as:

- *Adaptation

- *Complementarity

- *Abandon

- **Specific strategies to make the contingency plan operational**

- Describe the risk statement**

A risk statement summarizes a potential problem that needs to be addressed.

The statement communicates the potential adverse event or condition and its consequences on program objectives should the risk be realized.

Determine what main risks are likely to encounter your business. Ideally, there is a need to figure out what types of disasters are most likely to affect your business depending on its type and location and plan accordingly.

- Preparation of an evacuation plan:** Personnel need to know when to evacuate, what they should do when they're notified of an evacuation, what routes are available out of the building(s), and should also know who is responsible for checking to see whether everyone is out safely

- **Create a communications fan-out system:** There is a need to ensure that if something happened at your business, there is a person responsible for notifying each person who works there.

Be sure that your on-site emergency kits are complete and up-to-date

- **Ensure your business carries adequate insurance**

- **Check out local programs and resources:** Your city or town or village may have contingency plans/disaster response plans in place or provide resources that will make it easier for you to put your own plan together. For instance, MIDMAR offers information about emergency preparedness

- **Keep your business contingency plan handy:** The entrepreneur has to keep his/her disaster plan in an easily accessible place and make sure everyone who needs to know where it is knows its location.

- Use Your Business Social Media:** Your business website and social media platforms like Facebook, Telegram, WhatsApp and Twitter are excellent ways to

communicate with customers and business associates in the case of an emergency.



Theoretical learning Activity

- ✓ Brainstorming on specific strategies to make the contingency plan operational after ask trainees to identify those contingency plan related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform specific strategies to make the contingency plan then make presentation of their findings



Points to Remember (Take home message)

- **Steps involved in contingency plan**
- **Specific strategies to make the contingency plan operational**



Learning outcome 3.4: formative assessment

Written assessment

Q1. State Steps involved in contingency plan

Answer sheet

Q1. -Identifying requirements related to specific contingency plan

-Cost Calculation of requirements identified

-Appreciation of company capacity to cover risks identified

-Decide choice to undertake such as:

*Adaptation

*Complementarity

*Abandon

Practical assessment

Q1. Refer to the risks identified in written assessment 3.2, suggest the strategies you would put in place to mitigate those risks and prepare a contingency plan.

Marking guide

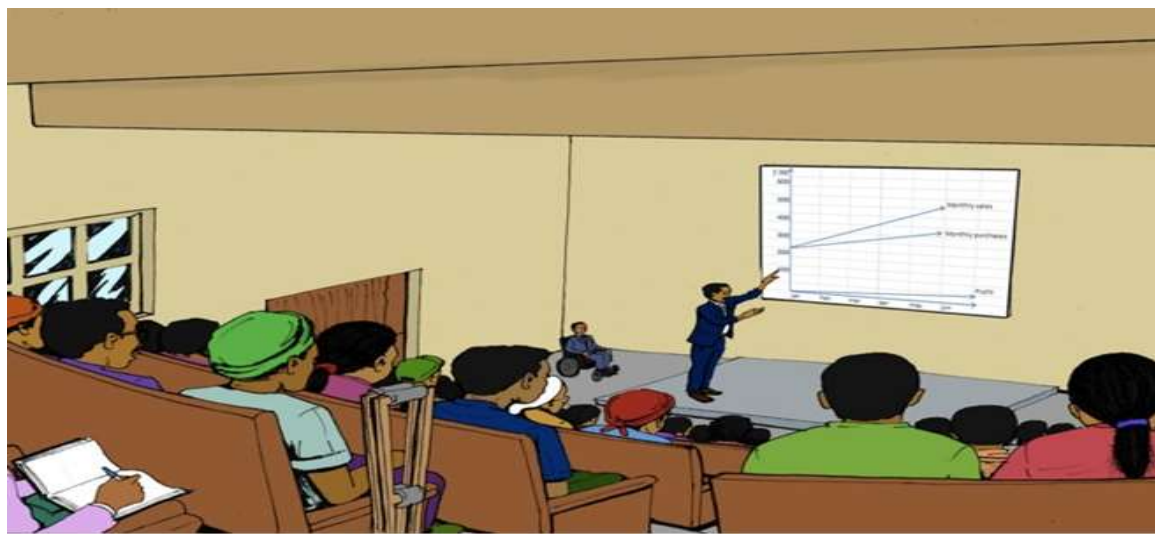
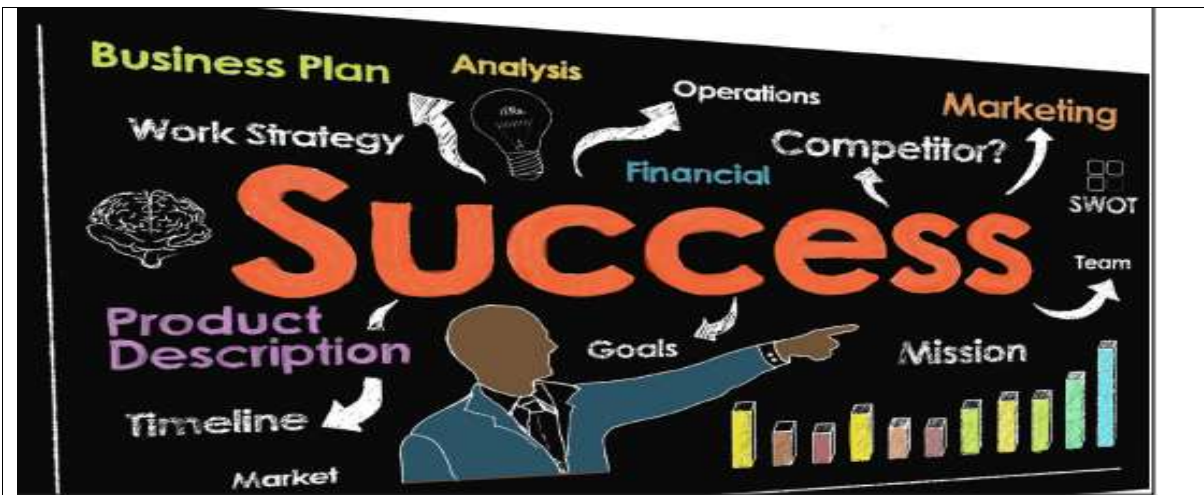
Q1. Risk mitigation is defined as taking steps to reduce adverse effects. There are four types of risk mitigation strategies that hold unique to business continuity and disaster recovery.

- **Risk Acceptance/Retention:** Risk acceptance does not reduce any effects however it is still considered a strategy. This strategy is a common option when the cost of other risk management options such as avoidance or limitation may outweigh the cost of the risk itself.

Based on our case study this strategy can be used when the business owner found that the kind of risk occurred is less expensive than other mitigation strategies.

- **Risk Avoidance:** Risk avoidance is the opposite of risk acceptance. It is the action that avoids any exposure to the risk whatsoever. Risk avoidance is usually the most expensive of all risk mitigation options depending on the type of risk to avoid.
- **Risk Limitation/Reduction:** Risk limitation is the most common risk management strategy used by businesses. This strategy limits a business's exposure by taking some action. It is a strategy employing a bit of risk acceptance along with a bit of risk avoidance or an average of both. An example of risk limitation would be for the above case study accepting to hire skilled employees and using updated materials even if it is expensive.
- **Risk Transference:** Risk transference is the involvement of handling risk off to a willing third party. For example, working with insurance companies whereby a business is ensured.

LEARNING UNIT 4: PRESENT A BUSINESS PLAN.



STRUCTURE OF LEARNING UNIT

Learning outcomes:

- 1.1. Explain different ways to present the business plan
- 1.2. Explain different ways to present the business plan
- 1.3. Present a business plan

Learning outcome 4.1. Explain different ways to present the business plan



Duration: 1hr



Learning outcome 1.1 objectives:

By the end of the learning outcome, the trainees will be able to:

1. Define clearly the basic concepts of business plan presentation for business operations
2. Identify correctly the Types of preparation required for business operations
3. Describe appropriately Steps involved in preparation of business plan presentation in line with business environment analysis results.



Resources

Equipment	Tools	Materials
-Computer - Projector - Scanner - Printer	- Flip chart - Marker pen	- Papers -Books



Advance preparation:

- .Internet
- .Skill lab
- .



Content 1: Meaning of business plan presentations and purpose of business plan presentation

1. Meaning of business plan presentation

Business plan presentations are designed to tell your idea to investors through a concise and engaging overview of what your business does, how it fills a consumer need and what you are looking for in terms of an investment.

2. Purpose of business plan presentation

- **Financing support:** Having a business plan gives you a much better chance of getting the money you need to keep operating or to expand. You're going to need both operating and start-up capital to start a new business and you have no hope of getting any money from established financial institutions such as banks without a well-developed business plan. One of the first things private investors, banks or other lenders look for before investing in your business is a well-researched business plan. Investors want to know how you operate your business, what your revenue and expense projections are and, most importantly, how they will receive a return on their investment.
- **Strategic orientation:**
- **Attracting investor:** One of the first things private investors, banks or other lenders look for before investing in your business is a well-researched business plan. Investors want to know how you operate your business, what your revenue and expense projections are and, most importantly, how they will receive a return on their investment.



Theoretical learning Activity

- ✓ small group discussion on business plan presentation and their purposes ask trainees to identify those presentation related to business plan in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform business plan presentation involved in business plan then make presentation of the findings



Points to Remember (Take home message)

- **Business plan presentations**
- **Purpose of business plan presentation**



Content 2: Types of preparation required and Steps involved in preparation of business plan presentation

- **Types of preparation required**
 - **Content preparation:** Organize what you are going to tell your audience
 - **Material preparation:** Organize materials that will be used such as computer, projector, etc.
 - **Psychological preparation:** Organize yourself. The more organized you are, the more professional you will appear
- **Steps involved in preparation of business plan presentation**
 - Analyze your audience
 - Select a topic
 - Define the objective of the presentation of business plan.
 - Prepare the body of the business plan to be presented and anticipate the questions from audience
 - Prepare the suggestions and conclusion.
 - Practice delivering the presentation of business plan



Theoretical learning Activity

Brainstorming on Steps involved in preparation of business plan ask trainees to identify those steps related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform Steps involved in preparation of business plan then make presentation of the findings



Points to Remember (Take home message)

- **Types of preparation required**
- **Steps involved in preparation of business plan presentation**



Content 3: Presentation content

The key topics to cover in business plan presentation include:

- Business idea and goals. Briefly Explain an overview of the business project, what product or service is being sold and what the entrepreneur's goals are. It also indicates where the business expects to be in a year's time and later.
- Problem: Briefly state the problem, opportunity or gap to be filled
- Solution: Explain how the firm will solve the problem and how it will satisfy the need or fill the gap.
- Market: Briefly explain who are your customers.
- Marketing strategy: Briefly explain strategies that will be used in your marketing activities.
- Industry analysis: The industry the firm will be competing in, the segment of the industry the firm will target, and how it will be positioned within its target market.
- Management Team: Each manager's competencies, qualifications, skills and how they strengthen the firm.
- Competition: The firm's competitive advantage and how it will compete against more established competitors.
- Intellectual Property: Explain the intellectual property the firm owns or will own pending approval.
- Current status, amount of money requested and the projected use of funds: Discuss the current status of the firm, its accomplishments to date, the amount of money required, amount of money acquired, projected use of funds etc.



Theoretical learning Activity

Brainstorming on key topics to cover in business plan presentation ask trainees to identify those key topics related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform key topics to cover in business plan presentation then make presentation of the findings



Points to Remember (Take home message)

- **The key topics to cover in business plan presentation**



Learning out come 4.1 : formative assessment

Written assessment

Q1. State the steps involved in preparation of business plan presentation

Answer

Q1. Step one :Analyze your audience

Step TWO:Select a topic

Step Three:Define the objective of the presentation of business plan.

Step Four :Prepare the body of the business plan to be presented and anticipate the questions from audience

Step Five :Prepare the suggestions and conclusion.

Step six :Practice delivering the presentation of business plan

Learning outcome 4.2. Explain different ways to present the business plan



Duration: 1hr



Learning outcome 4.1 objectives:

By the end of the learning outcome, the trainees will be able to:

1. Define clearly the basic person business plan can presented for business operations
2. Identify correctly the procedures involved in business plan presentation required for business operations



Resources

Equipment	Tools	Materials
-Computer - Projector - Scanner - Printer	- Flip chart - Marker pen	- Papers -Books



Advance preparation:


.Internet

.Skill lab


.



Content 1: The people business plan shall be presented

 **Shareholder:** shareholder is any person, institution or company that has ownership of at least one share of a company's stocks. Importance of business plan to shareholders include:

- To create a new business
- To better understand your competition.
- To better understand your customer.
- To determine your financial needs.
- To help you research and really know your market.
- To judge the success of your business.

 **Stakeholder:** stakeholder is a party that has an interest in a company and can either

- **Shareholder:** shareholder is any person, institution or company that has ownership of at least one

affect or be affected by the business. The primary stakeholders in a typical corporation are its investors, employees, customers, and suppliers.



Theoretical learning Activity

Brainstorming on the people business plan shall be presented ask trainees to identify those person related to business in class then let trainees present their findings



Points to Remember (Take home message)

- The people business plan shall be presented
- ✓ **Shareholder**
- ✓ **Stakeholder**



Content 2: Procedures involved in business plan presentation

- **Connect with your audience**
 - Business like: be serious and purposeful.
 - Use simple language: Use words that are easy to be understood. Your message needs to be clear and concise
 - Presentation touch at a personal level: Use pointer words. For example: "I will discuss three of the financial statements that are most important to investors.
- **Paint a picture in your audience' minds**
 - Pick out great images and visual: Use interesting Images and visual aids that are related to your presentation.
 - Lasting impression: Leave the audience with something they will remember about your presentation.
- **Use statistics and data:**

-Charts

-Graph

Graphs and charts are a great way to convey complex information. Integration of charts in your presentation can be quite powerful in convincing an audience of a particular point.

▪ **Advantages of using graphs and charts in presentation**

- ✓ show each data category in a frequency distribution
- ✓ display relative numbers or proportions of multiple categories
- ✓ summarize a large data set in visual form
- ✓ permit a visual check of the accuracy and reasonableness of calculations be easily understood due to widespread use in business and the media



Theoretical learning Activity

Brainstorming on procedures involved in business plan presentation ask trainees to identify those procedures related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform procedures involved in business plan presentation then make presentation of the findings



Points to Remember (Take home message)

❖ **Procedures involved in business plan presentation**

- Connect with your audience:
- **Paint a picture in your audience' minds**
- **Use statistics and data**

written assessment

Q1. Give the difference between shareholder and stakeholder

Q2. State five (5) Advantages of using graphs and charts in presentation

Answer

Q1. Shareholder: shareholder is any person, institution or company that has ownership of at least one share of a company's stocks.

While

Stakeholder: stakeholder is a party that has an interest in a company and can either affect or be affected by the business.

Q2. Advantages of using graphs and charts in presentation

- ✓ show each data category in a frequency distribution
- ✓ display relative numbers or proportions of multiple categories
- ✓ summarize a large data set in visual form
- ✓ permit a visual check of the accuracy and reasonableness of calculations be easily understood due to widespread use in business and the media

Practical assessment

Q1. With your own thinking demonstrate procedures involved in business plan presentation

Answer

Q1.

Connect with your audience:

-Business like: be serious and purposeful.

-Use simple language: Use words that are easy to be understood. Your message needs to be clear and concise

- Presentation touch at a personal level: Use pointer words. For example: "I will discuss three of the financial statements that are most important to investors.

- **Paint a picture in your audience' minds**

-Pick out great images and visual: Use interesting Images and visual aids that are related to your presentation.

-Lasting impression: Leave the audience with something they will remember about your presentation.

- **Use statistics and data:**

-Charts

-Graph

Graphs and charts are a great way to convey complex information. Integration of charts in your presentation can be quite powerful in convincing an audience of a particular point.

Learning outcome 4.3. Present a business plan



Duration: 1hr



Learning outcome 4.3 objectives:

By the end of the learning outcome, the trainees will be able to:

1. Identify correctly the techniques to present your business plan required for business operations
2. Describe appropriately Integrating comments, suggestions and remarks in the business plan in line with business environment analysis results.



Resources

Equipment	Tools	Materials
-Computer - Projector - Scanner - Printer	- Flip chart - Marker pen	– Papers -Books



Advance preparation:

.Internet

.Skill lab

.



Content 1: Techniques to present your business plan, Integrating comments, suggestions and remarks in the business plan

•Techniques to present your business plan

- a. Only write key points
- b. Don't read them, speak about them

- c. Use visualization, pictures, symbols, colors, tables
- d. Short, concise, come to the point, not more than 10 min.
- e. React positive to questions
- f. Use body language, voice, appearance
- g. Try to convince

•Integrating comments, suggestions and remarks in the business plan

Feedback, comments, suggestions and remarks from customer, employees and other stakeholders should be an integral part of your business plan development. Integrating comments in your plan is very important. For example, when you integrate employees comments in your plan, they will clearly understand your organization's strategy and goals. They will also become more productive. Because they helped develop your strategy and goals, they will be more motivated to help you achieve them. Integration of comments from customers can also help you in planning. Their comments inspire your business to create better products and provide improved customer service, while supporting a marketing channel for obtaining new customers and maintaining trust and brand loyalty. It should fuel your whole operation.



Theoretical learning Activity

- ❖ Brainstorming on techniques to present your business plan ask trainees to identify those points related to business in class then let trainees present their findings



Practical learning Activity

Trainees in pair perform integrating comments, suggestions and remarks in the business plan then make presentation of the findings



Points to Remember (Take home message)

- **Techniques to present your business plan**
- **Integrating comments, suggestions and remarks in the business plan**



Content 2: Planning to maintain and enforce relationship with stakeholders (audience) for further collaboration

Building positive stakeholder relationships will help your project reach positive outcomes and people will be more accepting of your decisions. Fail to create effective stakeholder management and your project may end up costing your thousands, millions or even billions of dollars more.

Tactics to maintain positive stakeholder relationships

Grouping your stakeholders according to their level of decision-making will make it easier to develop a tailored approach to engaging each group.

- ✓ **Clearly, communicate your project scope**

Tell your stakeholders the process you will use to communicate information to them right from the start. Also, clearly explain how you will engage with them in decisions. People are more willing to listen when you tell them their influence over the final outcome, the decision-making process, what is negotiable and what is not.

- ✓ **Gain your stakeholders trust right from the start**

Stakeholder relationship management includes communicating with people early and often so they fully understand the benefits of your project. Having an understanding of a situation means people are more likely to support you when necessary. It also means even if stakeholders don't agree with the final decision, they have the benefit of understanding the process, history and the trade-offs made. Therefore, they will be less likely to aggressively object at the final stage.

- ✓ **Stay consistent with your messaging**

Confusing your stakeholders is incredibly dangerous. Inconsistent messaging can lead to public outrage, loss in trust, and a negative reputation. Your stakeholders value consistent messaging and want to know they can rely on you for the most current and up-to-date information.

- ✓ **Keep surprises to a minimum**

Some of us love surprises but placing your stakeholder's off-guard can result in a huge mistake and can cost you from building positive stakeholder relationships. Most stakeholders like to be given an early view of risks and issues. However, this doesn't mean you need to present every issue as it occurs. Go into the meeting solutions-based rather than problem-focused. Create various options to resolve the issue and then ask stakeholders to add their input to create an informed decision about the next step.



Theoretical learning Activity

Brainstorming on tactics to maintain positive stakeholder relationships ask trainees to identify those tactics related to business in class then let trainees present their findings



Practical learning Activity

- ✓ Trainees in pair perform tactics to maintain positive stakeholder relationships then make presentation of the findings



Points to Remember (Take home message)

- **Tactics to Maintain Positive Stakeholder Relationships**



Learning out come 4.3: formative assessment

Written assessment

Q1. State the tactics to maintain positive stakeholder relationships

Q2. State any five (5) techniques to present your business plan

Answer

Q1.

- Clearly, communicate your project scope
- Gain your stakeholders trust right from the start
- Stay consistent with your messaging
- Keep surprises to a minimum

Q2.

- Only write key points
- Don't read them, speak about them
- Use visualization, pictures, symbols, colors, tables
- Short, concise, come to the point, not more than 10 min.
- React positive to questions
- Use body language, voice, appearance
- Try to convince

REFERANCES :

Board, R. E. (2019). *Entrepreneurship STUDENT BOOK SENIOR FIVE*. KIGALI: Rwanda Education Board.

Development, I. (2006). *Environment Impact assessment Training Manual*. Kigali: International Institute for sustainable.

EDUC, U. (2015). Work Readiness Training Program. In *Akazi kanoze youth Livelihoods Project* (pp. 177-214). Kigali: EDC,USAID,PEPFAR.

ICPAR. (2020). *"BUSINESS PLAN DEVELOPMENT" In business Management ,ethics&Entrepreneurship, Study manual, 2nd Edition. (UNIT 10)*. London: BPP Learning Media Ltd.

- Mutegaya, H. (2011). *Entrepreneurship education for secondary school*. Kigali: Fountain publishers.
- Mutegaya, H. (2013). *Entrepreneurship Education for Rwanda Secondary schools*. Kigali: Foundation Publishers Rwanda LTD.
- Pinson Linda. (2004). Anatomy of a Business plan:A step by step Guide to building a Business and securing your Company future (6th Edition). In P. Linda., *Anatomy of a Business plan* (p. 20). Chicago,USA: Dearbon Trade.
- Rwanda, G. o. (2006). *General Guideline and procedures of environment Impact Assessment*. Kigali: Government of Rwanda.
- Rwanda, G. o. (2006). *General guidelines and procedules for environment Impact Assessment*. Kigali: Government of Rwanda.
- Tamilnadu. (2013). *Accountancy*. Chennai: textbook corparation college Road.
- Wood.F&Sangster,A. (2005). *BUSINESS ACCOUNTING 1(10th edition*. UK: Prentice-Hall.