

SECTION B (BUSINESS CLUB)

A school business club is an association of school students or pupils who subscribe money or pay membership fees and also contribute capital to establish and operate a business in which they earn money or income.

Various stakeholders of a school business club and their duties and responsibilities

Meaning of stakeholders

These are individuals, people or organisations (bodies) that have personal interests in establishment and operations of the school business club. They include the following parties among others.

1. **The school board of governors or directors.** These are the top management or players or the actual owners of the school. Their responsibilities include the following.
 - i. To permit the establishment of the business club in the school
 - ii. To oversee the operations of the school business club
 - iii. To support the activities of the business club in the school
 - iv. To link the business club to outsiders e.g other school business clubs or other business support organisations, parents, the surrounding community etc.
2. **The school administration.** This comprises of the head teacher or other school administrators.

They have the following responsibilities

 - i. They provide the business club with the required resources or facilities like land, room, and others like financial support.
 - ii. To perform advisory and supervisory roles in the school business club.
 - iii. To link the business club to outsiders like other schools
 - iv. To provide market for the goods or services of the business club by buying from the club
3. **Club patrons.** These are teachers elected or appointed by the school administration or the entrepreneurship club members to be the head of the business clubs of individual schools.

They are required to perform the following responsibilities

- i. To oversee all the activities of the club
- ii. To link the students to the school administration
- iii. To provide appropriate training to the business club leadership or student leaders
- iv. To find or identify required resources and business opportunities for the students
- v. To keep appropriate records regarding student's performances in the business club
- vi. To attend the business club meetings, give advice and act as mentors to the students

4. Staff members (teachers and support staff)

These are all the workers in the school. They have the following responsibilities towards the school business club

- i. To provide appropriate support to the club activities like secretaries can help to typeset the club's work
- ii. To invest in the business clubs e.g by buying shares, contributing capital etc
- iii. To offer expert advice or assistance in their individual areas of specialization
- iv. To link the club with other school business clubs.
- v. To provide market for the goods or services sold by the club

5. Guardians, parents and the community

These include the mothers, fathers and relatives of the students and the members of the society or well-wishers. Their responsibilities to the school club include the following.

- i. Parents and guardians responsibility could be to provide market to the club's goods and services
- ii. To offer moral and financial support to the school business club
- iii. To provide land or room or space to the school's club project, if the project is located in the community outside the school
- iv. To provide useful advice to the school club or club project
- v. To provide raw materials, equipment and other facilities for operation of the business club.

6. Students. These are the learners in a school and their responsibilities include the following

- i. To become members of the business club by paying the membership fee and then participation in the club activities.
- ii. To contribute funds or capital to run the business club
- iii. To initiate new ideas for the club e.g generates business ideas so as to help identify a business opportunity.
- iv. To actively participate in the activities of the club like involve in the production of goods for sale.
- v. To implement what is learnt in class in the business club e.g practicing doing personal selling.
- vi. To keep records of the business club like the cash book where cash transactions are recorded.
- vii. To participate in national or regional or district club activities.

7. Business support organizations and well wishers

These provide specialized support to the business clubs. Their responsibilities include the following

- i. To provide specialized support to business clubs like by giving grants, giving tools and equipments, providing technical support and others.
- ii. To provide market or help in the marketing of the club goods or services
- iii. To provide entrepreneurship training and centers where students conduct field attachments or field trips

Guidelines to forming a business club in a school

- i. Every school offering entrepreneurship education shall be required to have a business club run by the students, to enable them put to practice or apply the theory learnt in class.

- ii. Students taking entrepreneurship shall automatically become members of the business club and membership shall also be open to other students who meet the entry requirements
- iii. The entrepreneurship education teacher shall introduce to the students the idea of forming club right in first term senior five – in case the club is newly to be formed.
- iv. The members, through the guidance of the entrepreneurship teacher shall then brainstorm and choose a name for the business club.
- v. The business club members shall register all its members and then select a committee to write the club constitution.
- vi. The business club members shall then elect the business club leadership including the club patron
- vii. The club officials shall register the business club with the school administration.
- viii. The business shall be allowed to have multiple or more than one project run by a specific group and number of students. In other words, diversification of club projects shall be allowed.

Membership requirements

Shall include but not limited to the following reasons

- ✓ Membership shall be open to both students and the staff of the school.
- ✓ An application form shall be filled by an intending member and shall be filed by the secretary.
- ✓ All members shall pay once in full membership fee as determined by the executive committee and thereafter the general meeting.
- ✓ A member shall be a person of good character.
- ✓ The application shall be accompanied by co-relevant information as required by the executive committee from time to time.
- ✓ Membership application shall be considered by the executive committees or sub-committee set up for that purpose.
- ✓ Following acceptance of the application, the applicant shall be required to pay the required dues

Termination or cessation of membership

Membership in the business club shall be terminated under the following circumstances

- ✓ By death or lunacy. One shall cease to be a member of the business club when he or she dies.
- ✓ By resignation in writing with the application to resign filled in a month's time and such a member shall be refunded his or her dues without yearly benefits for that year
- ✓ By expulsion- in which case the member shall have the right to appeal during the next general meeting
- ✓ Disciplinary procedures as a measure to relieve the club of problems in case of misconduct in the activities of the business club like fraud among others.

The bylaws of the business club

- ✓ A member shall attend all the general meetings and actively participate in its deliberations.
- ✓ A member shall abide by the constitution and the resolutions passed by the general meeting.
- ✓ A member shall pay promptly his or her registration, membership and subscription fees as may be determined by the executive committee and approved by the general meeting.
- ✓ A member shall be hard working and willing to take up any assignment given in the club.
- ✓ A member shall be honest, keep all the club secrets as well as protect the interests of the club.
- ✓ A member shall be God fearing and shall respect others.
- ✓ A member shall possess the school identify card
- ✓ A member shall pay a registration fee of shillings 3,000 which is non- refundable.
- ✓ A member shall be a member of the school community i.e. A student or a staff member.

Rights and privileges of the members

- ✓ Right to fully participate in the general meeting deliberations and votes in the elections of the general assembly
- ✓ Right to use the club facilities or to get assistance as may be described by club by laws regarding use of such facilities
- ✓ Right to be treated equally as regards to the dispensation of the right and privileges as any other member of the club
- ✓ Right to share the profits made by the club
- ✓ Right to inspect the books of accounts

Sources of funds of the club as determined in the general meeting shall consist of:

- ✓ Membership fee
- ✓ Subscription fee
- ✓ Selling of shares of the club
- ✓ Saving in the club
- ✓ Fundraising
- ✓ Donations
- ✓ Gifts and grants

- ✓ Borrowing from the school administration, from financial institutions, non - governmental organizations and others with the terms being agreed upon by the executive.
- ✓ Selling of personal properties by the members.

HOW DID YOU RAISE THE START UP CAPITAL

- ✓ The source was membership fees and share capital
- ✓ The meeting was held
- ✓ Students suggested various and different sources of capital including subscription fees, Membership fees, borrowing from external source, donations from parents and fundraising
- ✓ It was resolved that membership fee of shs 20,000 is paid by every member and 100 shares be sold at shs 1,000 per share

- ✓ This gave us the grand total of shs 340,000
- ✓ The idea was taken to the subject teacher

SWOT ANALYSIS

Is a strategic planning technique used to help a person or organisation identify, strengths, weaknesses, opportunities and threats related to business competition or project planning.

Strengths and weakness are frequently internally-related, while opportunities and threats commonly focus on the external environment. The name is an acronym for the four parameters the technique examines:

- ✓ **Strengths:** characteristics of the business or project that give it an advantage over others
- ✓ **Weaknesses:** characteristics of the business that place the business or project at a disadvantage relative to others.
- ✓ **Opportunities:** elements in the environment that the business or project could exploit to its advantage.
- ✓ **Threats:** elements in the environment that could cause trouble for the business or project.

Benefits of SWOT analysis to business

- ✓ Helps in making wise and informed decisions
- ✓ Helps him / her to establish his / her strength
- ✓ Enables the business to determine his / her personal weaknesses
- ✓ Helps to determine his / her risk taking behaviours
- ✓ Helps the business to compare with potential competitors / competitive advantages
- ✓ Helps the business to assess how best it can run the business
- ✓ Helps a business to identify opportunities
- ✓ Enables a business to determine his / her threats
- ✓ Helps the business in making market research
- ✓ Helps the business in setting goals
- ✓ Helps a business to become innovative and creative
- ✓ Enables a business in proper utilization of business resources

Strength. Things / features / qualities that put business project at an advantage when compared to competitors

- ✓ Provision of high quality products such as high quality chapattis , chips, pan cakes and at affordable price
- ✓ High and effective entrepreneurial spirit
- ✓ Enough capital got from different sources like membership fees
- ✓ Ability to attract customers
- ✓ Co-operation among members
- ✓ Security from the club members
- ✓ Ready market from club members

Weaknesses

These are constraints that the business that the business products may face in the market.

- ✓ Weak distribution image
- ✓ Location not being close or easily accessible by customers
- ✓ Few products
- ✓ Too narrow product line
- ✓ Higher overall unit costs relative to key competitors
- ✓ Location not being close or easily accessible by customers
- ✓ Inability to finance needed market changes
- ✓ Being new in the market and having a weak market image
- ✓ Inappropriate distribution of products by restricting to only school community – club
- ✓ Poor time management/time wastage by club members.
- ✓ Misuse of business funds by club executives.

Opportunities. These are external chances that benefit the business if they happen.

- ✓ Increasing number of students in senior one and senior five
- ✓ Merging business with the senior fives
- ✓ Exempted from school charge
- ✓ School administration support
- ✓ Possibility of having big orders on special days' especially visitation days and leavers party days.
- ✓ Changes in market trends due to new developments ie a new school being opened in the neighbourhood.
- ✓ Strategic location (with in the school)
- ✓ Increasing number of students to provide market.
- ✓ Existence of free space /room for operation
- ✓ Adequate Security from school guards, fence etc
- ✓ Financial support from parents, school and other well-wishers etc.
- ✓ Favourable government policy on skilling Uganda.
- ✓ Availability of the required inputs
- ✓ Availability of developed infrastructure such as roads etc.
- ✓ Acceptability by the community

Threats. These are undesirable happenings in the market that may occur to the disadvantage of the business.

- ✓ High competition from the school canteen and other business projects around the school community. This has greatly lowered the business sales.
- ✓ High cost of raw materials and other inputs like wheat flour, cooking oil, onions, eggs and other basic ingredients.
- ✓ Having a busy schedule at school hence creating little or no time to carryout business activities.
- ✓ Increased cases of bad debtors as some teachers and students default business' money.
- ✓ Entry of lower cost business in the market

- ✓ Increased bargaining power of students, teachers and suppliers

Plan for establishment and management of a new business club in a school

Name and address of the new business club

Action plan followed during establishment of the business

| Time frame | Activity | Person in charge | Remark |
|-------------------|--|-------------------------|---------------|
| Term I s.5 | <ul style="list-style-type: none"> ▪ Establishing the business club, registering members and forming a committee to write constitution ▪ Electing leaders, registering the club with school administration ▪ Developing the business ideas and selecting what to set up | S.5 ENT- class | |
| Term II s.5 | <ul style="list-style-type: none"> ▪ Writing the business plans raising funds ▪ Establishing the business club project and managing it ▪ Continuing with club activities | S.5 ENT- class | |
| Term III s.5 | | | |
| Term I s.6 | <ul style="list-style-type: none"> ▪ Continuing with club activities | S.6 ENT- class | |
| Term II s.6 | <ul style="list-style-type: none"> ▪ Continuing with club activities | | |
| Term III s.6 | <ul style="list-style-type: none"> ▪ Winding up / dissolving club operations | | |

Business club leadership structure.

This refers to the arrangement of leadership or frame work of activities in the business club. This can be summarized or illustrated using club organizational chart. Below is a suggested organizational chart for a school business club.

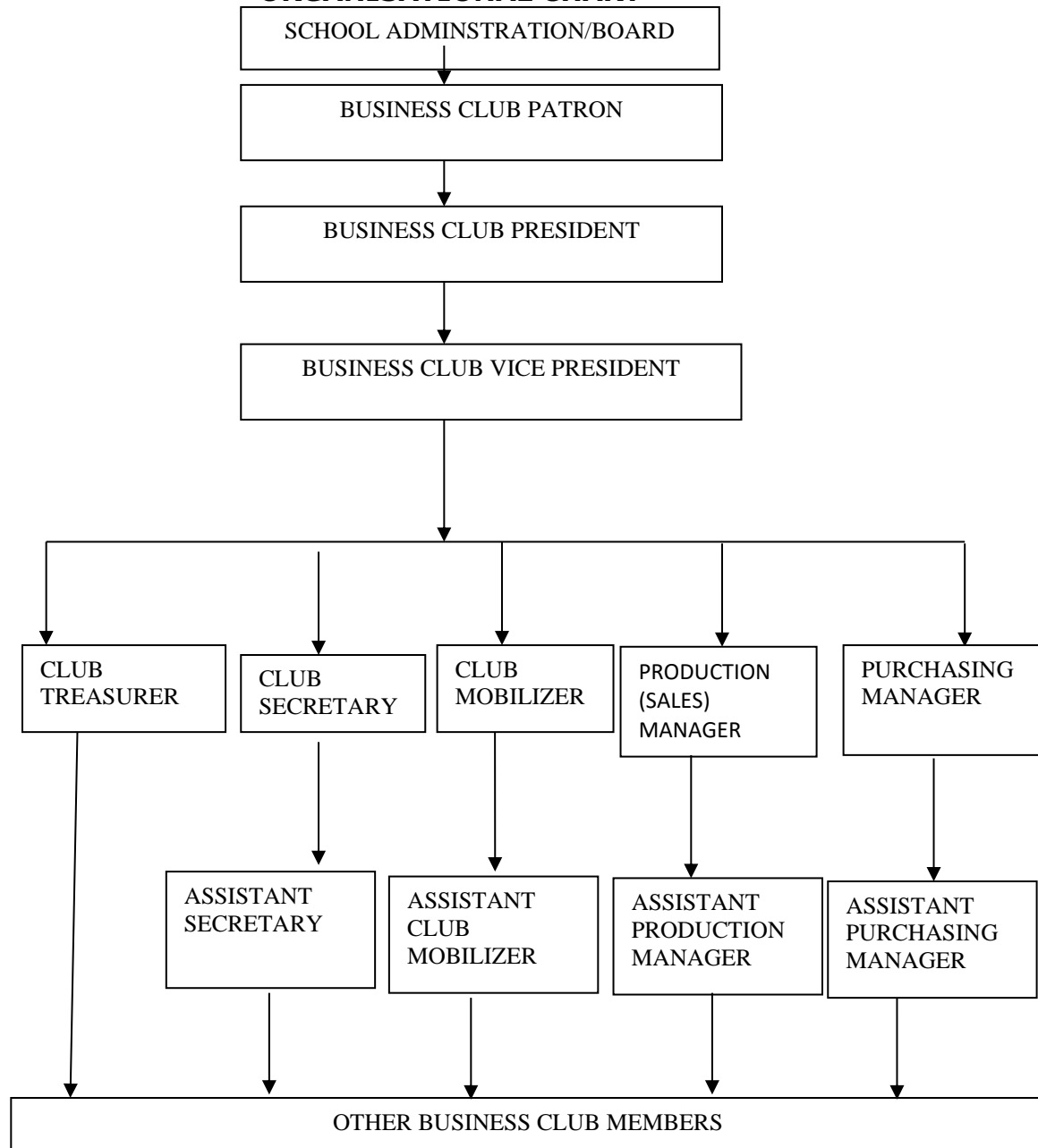
SUPER QUALITY SNACKS

P.O BOX 1,

KIBIRI, GANGU

TEL: 0752001122

ORGANISATIONAL CHART



Duties and responsibilities of the club and the student's leaders

1. Duties and responsibilities of business club patron.

- ✓ Overseeing all the activities of the club
- ✓ Linking the students to the school administration
- ✓ providing appropriate training to the business club leadership or student leaders
- ✓ Finding or identifying required resources and business opportunities for the students.
- ✓ Keeping appropriate records regarding student's performances in the business club.
- ✓ attending the business club meetings, give advice and act as a mentor to the students

2. Duties and responsibilities of the business club president.

- ✓ Overseeing all the club activities / providing leadership for the club.
- ✓ Planning for all the club meetings and presiding over these meetings.
- ✓ Endorsing or signing of all the club documents like letters, reports and minutes of meetings, project proposals, club financial statements and others in his or her position as the principal signatory.
- ✓ Motivating the members to work for the good of the club
- ✓ Marketing and selling the club to other business clubs and representing the club in district, regional and national business club workshops or seminars.
- ✓ Supervising and monitoring performance of the club members and other stake holders of the business club.
- ✓ Managing discipline within the club
- ✓ Mobilizing resources on behalf of the club
- ✓ Working as a conveyer belt between the club and the school administration
- ✓ Being visionary/to be the think tank of the club
- ✓ To communicate all club decisions and actions
- ✓ Negotiating for better terms
- ✓ Managing discipline/dealing with disciplinary issues within the club.
- ✓ Creating a conducive work environment
- ✓ Managing change that take place in the business club.
- ✓ Taking (core or non-programmed or non-routine) decisions
- ✓ Managing conflicts and misunderstanding among members of the club.
- ✓ Acting as the club chief publicist or spokesperson
- ✓ Acting as the club chief accounting officer (CAO)

3. Duties and responsibilities of the club vice president.

- ✓ The vice **president** shall assist and deputize or perform all the functions of the president in the absence of the president or when delegated to do so.

4. Duties and responsibilities of club secretary.

- ✓ Summoning and attending all general and committee meetings of the club.
- ✓ Recording or taking minutes at all the club meeting.
- ✓ Making reports about the club activities and events.

- ✓ Keeping of up to date register of all the club members.
- ✓ Preparing and sending out or issuing of relevant documents to specific groups of members or the public e.g preparing circulars, notices and other documents.
- ✓ Reminding the president of important issues before the start of meetings and discussing the agenda with president.
- ✓ Reading minutes of the previous meetings during meetings.
- ✓ Organizing for any refreshments during meeting.
- ✓ Acting as the chairman in the absence of the president and vice president.
- ✓ Making sure that the attendance sheets are signed by all the members who attend meetings.

5. The of club treasurer. This responsibility of the treasurer shall include but not limited to.

Shall be familiar with accounting procedures and policies as the primary signatory on financial accounts.

- ✓ Attending of all required meetings of the business club.
- ✓ Collecting and receiving all monies payable to the club, keeping the money and depositing or banking club money every week in the club bank account or elsewhere as agreed upon by the members.
- ✓ Preparing relevant books of accounts for the business club e.g the cash books
- ✓ Preparing for the club's financial accounts for the year ended and presenting financial reports to the club members during the end of the month or year meetings.
- ✓ Advising the club members on financial and investments issues
- ✓ Making recommended payments e.g paying for refreshment for the club leaders
- ✓ Keeping an up to date records of paid up members and these who have not paid their membership fees.
- ✓ Being a co-signatory to all financial transactions on the club's accounts.

6. Responsibilities of the club assistant secretary.

The club assistance secretary shall perform the same responsibilities as the secretary when the secretary is absent or when assigned to do so

7. Club mobilizer's responsibilities

- ✓ Mobilizing club members for all the club activities and making sure that every club member participates in the activities.
- ✓ Organizing and planning for the days when the club shall hold meetings.
- ✓ Making all the necessary administrative arrangements for the meetings e.g arranging the meeting room/ venue, distributing copies of memos etc.

8. Responsibilities of the assistant club mobilizer.

- ✓ He or she shall do the functions of the club mobilizer is absent or sick or when delegated to do so.

9. Responsibilities of the production or sales manager.

- ✓ Supervising of all the activities in the production or selling of the goods and / or the services.
- ✓ Ensuring the safety of the productive machinery tools and equipments.
- ✓ Maintain accurate production or sales records.
- ✓ Allocating work or tasks to the club members involved in production or selling activities.

10. Responsibilities of the assistant production or sales manager.

He or she shall do the work of the assistant production or sales manager during absence of the production manager or when delegated to do so.

11. Responsibilities of the purchasing manager.

- ✓ Purchasing the necessary requirements for the club project e.g raw materials
- ✓ Maintaining relevant purchases records like purchasing plans.
- ✓ Preparing a monthly and yearly report relating to purchasing activities.
- ✓ Conducting research in collaboration with the production manager to identify reliable and affordable supplies.

12. Responsibilities of the assistant purchasing manager.

He or she perform the duties of the purchasing manager during the absence of the purchasing manager or when delegated to do so.

13. Other club members

These shall perform any tasks in the club as assigned by the club leadership for executive committee.

Financial management in the business club/ Business club project.

- ✓ All the project's financial transactions should first be recorded in the appropriate source documents.
- ✓ The information from the source documents should be transferred to the appropriate subsidiary books like: the cash book for receipt and payments, the sales journal for credit sales and the purchase journal for credit purchases
- ✓ Ledgers and the trial balance may then be extracted. This is optional.
- ✓ The members must prepare the project's income statement / trading profit and loss account for each year that is, for the end of senior five (if any) and for the end of senior six, to determine the net profit or loss.
- ✓ Prepare the project's balance sheet to show the financial position for each year.
- ✓ Accounting ratios can then be calculated from the final accounts information.

- ✓ There is also need to have a simple cash flow statement for the last two or three months of senior six.

Profit and loss management.

- ✓ Profits from the project(s) may be handled in the following ways; that should be clearly stated in the club constitution.
- ✓ Sharing a specified percentage of the profits made by the project among the club members.
- ✓ Re-investing all or a stated percentage in the same business.
- ✓ Using the profits to start a new or different business in the school.
- ✓ Loaning of part or a stated percentage of the profits to another business in the club or to club/ non club students or to staff members or even to the school at a stated interest rate per month.

Some suggested methods / ways of winding up the project in term 3 of senior six.

- ✓ Closing up the business project by selling off all its properties and then sharing all the proceeds among the members.
- ✓ Closing the project in the school and then using the resources to open a new business in the community by the senior six members
- ✓ Selling the business to the senior five club members and then sharing the proceeds.

OBJECTIVES OF THE BUSINESS MAY BE ON;

- ✓ Market share/customer base
- ✓ Cost minimization
- ✓ Profit level /margin
- ✓ Sales
- ✓ Quality improvement
- ✓ Packaging
- ✓ Skill development

NB. - Objectives must be SMART
 - Objectives must be less than one year.

DESCRIPTION OF THE PROJECT

- ✓ Name and address of the business.
- ✓ Business location
- ✓ Products offered.
- ✓ Purpose of the business i.e vision, mission, goals and objectives
- ✓ Date of establishment
- ✓ Nature of the business or legal form or ownership of the business.
- ✓ Sources of business funds
- ✓ Target market/customer needs
- ✓ Description of fixed assets

- ✓ Uniqueness of the business.
- ✓ SWOT analysis

GENERAL DESCRIPTION OF THE BUSINESS CLUB

The business general description

The business was called **SUPER QUALITY SNACKS, P. o Box 1, KIBIRI GANGU. Tel: 0752001122**

Business was located within the school premises, in Gangu village, Busabala parish, Makindye Sabagabo Sub parish, Wakiso District

Purpose of the business

Vision statement of the business

To become the leading supplier of high quality snacks within the school

Mission statement

To produce and distribute quality snacks at affordable prices to meet customers' needs within the school.

Objectives of the business project

- ✓ To increase profits by 20% within 3 months of the operation.
- ✓ To increase sales after 2months of operation by 30%
- ✓ To improve in the distribution channel
- ✓ To reduce cost of production by 5% within 9 months

The school project was established on 24th. /04/ 2019 by 20 founder members including the club patron

Super quality snacks business was a partnership business that was owned and managed by 18 Members including the club patron.

Goods offered were snacks like toasted bread, mummies, daddies and cookies, chapattis and half cakes.

Customers of the business were mainly students, teaching and non-teaching staff of the school

Source of funds

The sources of funds for the school business project were as follows:

| No | Source | Amount (shs) |
|----|---------------------------------|--------------|
| 1. | Membership fees each shs 20,000 | 800,000 |
| 2. | Sale of shares | 300,000 |
| 3. | Gifts and offer | 200,000 |
| 4. | Loan from school administration | 100,000 |
| 5. | Suppliers credit / trade credit | 100,000 |
| 6. | Customers' / students' advances | 50,000 |
| | Total | 1,450,000 |

Description of the premises and Assets.

The business had a small room which was used as a work place, where all the production activities took place like processing, mixing, packaging, storing and marketing.

Assets owned include. The clubs fixed assets like the charcoal stove, small dishes, frying pan, basin, one serving counter table, and packaging materials like polythene bags etc.

Uniqueness of the business, it only dealt in manufacture of snacks in the school and it had unique workers from those of the school canteen.

The business SWOT analysis.**Strength. Things / features / qualities that put business project at an advantage when compared to competitors**

- ✓ Provision of high quality products
- ✓ High and effective entrepreneurial spirit
- ✓ Enough capital got from different sources like membership fees
- ✓ Ability to attract customers
- ✓ Co-operation among members
- ✓ Security from the club members
- ✓ Ready market from club members

Weaknesses

These are constraints that the business that the business products may face in the market.

- ✓ Weak distribution image
- ✓ Location not being close or easily accessible by customers
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- ✓ Strategic location (with in the school)

- ✓ Increasing number of students to provide market.
- ✓ Existence of free space /room for operation
- ✓ Adequate Security from school guards, fence etc
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- ✓ Favourable government policy on skilling Uganda.
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Threats. These are undesirable happenings in the market that may occur to the disadvantage of the business.

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- ✓ Having a busy schedule at school hence creating little or no time to carryout business activities.
- ✓ Increased cases of bad debtors as some teachers and students default business' money.
- ✓ Entry of lower cost business in the market
- ✓ Increased bargaining power of students, teachers and suppliers

Type and nature of the business. It is a manufacturing business.

Entrepreneurial skills practiced in the business;

- ✓ Marketing skills e.g advertising skills, customer care skills, personal selling skills etc
- ✓ Financial management skills e.g record keeping like preparation of financial statements, budgeting among others.
- ✓ Communication skills e.g listening skills, writing skills, techniques of handling difficult customers, how to present a product to customers among others
- ✓ Production skills e.g actual production, branding skills, packaging skills etc
- ✓ Personnel/ interpersonal/human resources management skills e.g training, motivation of business workers, recruitment of rightful workers etc
- ✓ Risk management skills
- ✓ Creativity and innovation skills.
- ✓ Negotiation skills
- ✓ Purchasing /procurement and logistics management skills
- ✓ Time management skills
- ✓ Planning skills/ Decision making skills /goal setting.
- ✓ Leadership skills/organization skills/ mobilization skills.
- ✓ Technical skills e.g computer skills, carpentry skills, engineering skills etc
- ✓ Skill of coping with change.

FACTORS THAT FAVOURED THE ESTABLISHMENT OF THE BUSINESS PROJECT

- ✓ Availability of ready market. Students had a high real demand for the business snacks for example a school had a big student population of about 700 and above.
- ✓ Availability of raw materials, got from cheaper and reliably source.
- ✓ Availability of space, there was enough space near the kitchen which was used as the project premise, where production was taking place.
- ✓ Presence of good infrastructure in form of buildings and hydroelectric power to improve on the security.
- ✓ Support by the school administration and management in form of financial assistance for example the school granted the business project interest free loan of shs 100,000, the school also offered a single room to the project where production and selling used to take place.
- ✓ Availability of required inputs that were all the time acquired from the nearest source (town) like cooking oil, onions, eggs, flour among others.
- ✓ Presence of Security at the school to provide security to the business premises and stock, this increased on safety of business fixed assets and stock.
- ✓ Ability to manage the business due to skills obtained from entrepreneurship education like negotiation skills, marketing skills, financial management skills among others
- ✓ Availability of required networks within the school due to effective communication
- ✓ Availability of enough capital to operate the business which was raised from different sources such as membership subscription fees, loan from the school administration, donations, fundraising and savings in the club

ACHIEVEMENTS OF THE BUSINESS CLUB

- ✓ Sales target. This was achieved through sell of required units for example we had a target of selling 120 chapattis, 50 cakes and 60 plates of pilawo.
- ✓ Production target
- ✓ Profit target /level
- ✓ Skill development
- ✓ Market share/customer base
- ✓ Recognition of the project /establishment of good will
- ✓ Employment creation
- ✓ Cost minimization
- ✓ Dividends realization
- ✓ Provision of social responsibility
- ✓ Cleaning school compound
- ✓ Utilization of local resources like space, free rooms etc
- ✓ Promotion /creation of unity /harmony among the club members.

BUSINESS IDEAS AND OPPORTUNITY IDENTIFICATION IN THE PROJECT EVALUATION OF VARIOUS BUSINESS IDEAS

The business club needs to evaluate each business idea basing on the following criteria or factors

Question

With reference to a business project owned by your school business club,

- a) What factors helped you to evaluate the business idea basing on:
- i) The present or current market.
 - ii) Business risks.
 - iii) Cost of production.
 - iv) Market growth

Answers

The project owned by my school business club is SUPER QUALITY SNACK, P.O. BOX 1, Gangu. Factors that helped members to evaluate the business idea basing on the present market.

- ✓ **The market size**, the club members discovered that there was and still there is a big market for snacks in and around the school which led to the establishment of the project.
- ✓ **Products in relation to the needs**, the club members through research found out that the snacks being produced and sold satisfied the needs of all groups, in and around the school.
- ✓ **The strength and dominance of the competitors**, the club members found out that the snacks projects that were operating in school were small and not strong enough, so the members set up the project.
- ✓ **The sales efforts required**, through research, the club discovered that it needed few sales workers to market the products, this made the project viable.
- ✓ **The relationship of quality to price of the snacks**, the club members' research showed that the existing snacks products were of low quality and expensive. This made the club idea of rearing and selling high quality products viable.
- ✓ **Presence of service requirements**, the club found out the project was viable because of presence of proper packaging materials, water, free electricity etc.
- ✓ **Availability of appropriate sales and distribution systems**, the members found out that the idea would be viable since the products would be sold from the producer to the final consumers.
- ✓ **Export possibilities**, the members' research showed that the snacks could not be exported but sold locally to the people within school and to the parents on Visitation days.

b) The factors that helped members evaluate the business idea basing on business risks:

- ✓ **The size and power of the competitors**, the club members' evaluation showed that the existing snack business in and near the school was small and not strong. This made the idea of starting the business viable.
- ✓ **Initial investment cost**, the club members' evaluation of starting snacks business revealed that the initial investment cost was low due to the existence of

constructed production room and free utilities. This made the idea easy to implement.

- ✓ **The degree of predictability of demand for snack products,** the evaluation showed that students consumed chapattis every weekend which made it a viable idea.
- ✓ **The seasonal demand,** the evaluation showed that the demand for snacks was daily. This made the idea viable.
- ✓ **The time required to generate profits,** the evaluation showed that it takes a short time to make profits from snacks so members went ahead to start the business.
- ✓ **Inventory requirements,** the evaluation of the idea showed that it needed few equipments and other raw materials were easily available and thus made members opt for snacks business.
- ✓ The quality and reliability of the proposed products, the evaluation of the idea showed that the club could ensure high quality snacks through using high raw materials.
- ✓ The legislation and controls by the government or local authorities, the evaluation showed that quality controls by UNBS could easily be met and thus went ahead to snack business.

c) The factors that helped the club members to evaluate the business idea basing on the costs of production and marketing costs

- ✓ **The projected start-up costs,** the members' evaluation revealed that the estimated total cost of shs 400,000 was affordable so the members went ahead and started a snack business project.
- ✓ **The projected cost of raw materials,** the members' evaluation showed that the estimated cost was shs. 60,000 which was manageable so members went ahead and started the project.
- ✓ **The projected labour costs for implementing the business idea,** the evaluation of the idea showed that a total of shs 30,000 was required. This was affordable to the members.
- ✓ **The projected selling costs for the planned products,** the evaluation showed that the club would manage to pay for all the selling expenses like packing, transport etc. The members opted for snacks project.
- ✓ **The efficiency of the production processes,** the evaluation revealed that the production process would be efficient enough, so members went for snacks project.
- ✓ **The estimated patent and license costs,** the evaluation revealed that initially the club would not pay any license costs since the project was located within the school premises.

d) Factors that helped members to evaluate the business idea basing on market growth

- ✓ **Projected increase in demand,** the evaluation revealed that there was increasing demand for snacks project due increasing students population. So the club members opted for this type of project.

- ✓ **The increase in customers' acceptance**, the evaluation revealed that more and more staff members were willing to buy snacks most especially chapattis. This made club members to start this kind of project in school.
- ✓ **The competitive advantage of the business idea**, the evaluation revealed that the project would have a competitive advantage over the rivals in school due to use of high quality materials got from Nakasero market.
- ✓ **The economic trends that were favourable**, the evaluation revealed that teachers' payments were being revised and more students from rich families were joining the school. All these made the project viable

SOURCES OF BUSINESS IDEAS FOR SCHOOL BUSINESS

There are many sources that can be used by business club members to search for business ideas and these include:

- ✓ Newspapers. Club members got business ideas from the newspapers. In Uganda, local newspapers include Bukedde, New Vision, the daily monitor etc.
- ✓ Magazine articles. Club members can look at articles describing new types of businesses hence generating business idea.
- ✓ Hobbies; these are activities performed for pleasure and relaxation and they are form source of ideas for new enterprises e.g dancing, singing etc.
- ✓ Trade shows and exhibitions. Attending trade shows and exhibitions sponsored by government departments, manufacturers give ideas to new entrepreneurs e.g UMA, UFA.
- ✓ Survey. New business ideas can be identified by finding out what consumers need and want. This can be done through issuing questionnaires to consumers and conducting interviews with various people.
- ✓ Television. Club members can also watch television and identify business ideas e.g by responding to supply the products needed by a person who has made announcements on the television.
- ✓ Internet. Searching through the internet can also help club members find business ideas for the school business club.
- ✓ Brainstorming. Brainstorming is a technique used to solve a problem by generating as many ideas as possible and then choosing the most appropriate one that solves the problem.
- ✓ Franchise, this is a special right given by a manufacturer or sole distributor to a person or business to sell goods or services of the manufacturer. A business club can make an arrangement (contract) with a producer to sell the producer's products for example we sold pan cakes on behalf of Maama Nakato.

HOW DID YOU RAISE THE BUSINESS IDEA

- ✓ The method used was brain storming
- ✓ The meeting was held from the main hall on 3rd march 2019 and headed by the club president and deputized by the club secretary.
- ✓ Students raised various and different ideas, including juice making, making liquid soap, selling fruits, making snacks among others
- ✓ Their requirements were outlined and costed

- ✓ Their feasibility and viability were also evaluated to determine whether the business idea is capable of being implemented using the available resources and able to achieve the desired target profits.
- ✓ Members resolved to undertake the making of snacks since it was cost effective.
- ✓ Idea was taken to the subject teacher and adopted it
- ✓ Subject teacher took the idea to the head teacher

RULES FOR BRAINSTORMING FOR BUSINESS IDEAS

- ✓ Members shall select a leader to take control of the brainstorming exercise when generating the business ideas.
- ✓ Members' ideas shall not be criticised by the other members in order to allow members to freely give their ideas.
- ✓ Each business idea presented shall be properly recorded down by the secretary as the ideas keep flowing from members.
- ✓ Brainstormers shall be encouraged to come up with a wide range of business ideas from the members.
- ✓ The Brainstormers shall generate as many business ideas as possible in order to the change of developing a good idea that can be identified and selected for implementation.
- ✓ Members shall combine together during the brainstorming to try and improve a business idea presented by a member, in addition to giving their individual ideas.
- ✓ The ideas recorded down shall be carefully studied, evaluated and even modified where necessary at a later date agreed upon and not on the day of brainstorming so as to improve creative thinking by the members
- ✓ The members shall identify and select one or more business ideas that are profitable and can easily be turned into club project.

WHAT MADE THE BUSINESS VIABLE

- ✓ Availability of market. The school had a population of about 600 students with positive tastes and preference towards the consumption of snacks and this explains the viability of the business project.
- ✓ Availability of required cheap labour. These were the business club members who were readily available to provide the labour at a free cost.
- ✓ Reasonable level of return on investment. The project fetched enough and desired profits of shs 60,000 per week.
- ✓ Acceptability in the community. The school community members like teachers and students supported our business activities in the school
- ✓ Favourable school policy. Such as offering free utilities such electricity, water and free premises, the school also granted an interest free loan of shs 100,000 to the club as startup capital.
- ✓ Availability of good infrastructure such as electricity, water source, business premises and well improved roads.
- ✓ Strategic location, school premises were opposite the school dinning where students could easily access it / them.

- ✓ Availability of capital from members and from other sources such as donations, support from parents among others.
- ✓ Raw materials such wheat flour, cooking oil, among other from reliable sources.

Indicators of a good business opportunity of our school business project

- ✓ **Availability of Real demand/ market.** Students, teachers and non-teaching staff had a high real demand for the business snacks for example a school had a big student population of about 1000 and above.
- ✓ **Easy entry to the market.** The school authorities permitted us to carry out business activities and most of business members had a good back ground / knowledge of the newly established project.
- ✓ **Reasonable level of Return on investment.** The rewards / profits realized from the business should be acceptable depending on the level of investment by the entrepreneur in terms of risk and effort. The returns in terms of profits was shs 500,000 per term and it was justifiable.
- ✓ **Availability of required raw materials such** as wheat flour, water, cooking oil, which facilitated the production process of goods.
- ✓ **Availability of required capital.** The project required little capital of shs 1,000,000 which was solicited by the business members through membership fees, loan from school administration among others.
- ✓ **Availability of required technical skills.** Many business club students had required skills such as marketing skills, production skills, financial management skills among others.
- ✓ **Acceptability in community.** The permission was granted by the school administration to start the project since it was not against the norms of the school, UNEB and community at large.
- ✓ **Risk involved.** The business is low risk to start ie moderate risks
- ✓ **Availability of good infrastructure (support services).** For example free water, electricity, premises were available in the school.

Other business opportunities which may arise from the existence of the business may include the following;

- ✓ Poultry and animal feeds business
- ✓ Packaging materials business e.g paper bags.
- ✓ Service (provision) business e.g restaurants, transport, storage facilities, mobile money businesses.
- ✓ Shops selling cooking oil, tomatoes and maize flour.
- ✓ Trading businesses e.g markets for food stuffs, water
- ✓ Crop growing/ growing crops for selling.
- ✓ Accept any legal business opportunity not broad category

INNOVATION IN BUSINESS CLUB

a) Describe the types of innovations that were implemented by your club project.

Types of innovation practiced by the business project

- ✓ By marketing innovation. This was done by coming up with marketing techniques like price reduction; using unique packaging materials such as paper bags etc.
- ✓ Process innovation, the business was employing improved methods of production like simple knives, using unique flavors and shape e.g production of triangle samosas.
- ✓ Product innovation. The business was producing or supplying variety of packed snacks products like chapattis, mandazi, half cakes samosas among others.
- ✓ Business model innovation. The business club made changes in delivering their services so as to be able to compete with other business in school. Like selling quality, using unique raw materials got from Kikuubo.
- ✓ Supply innovation. This involved using unique distribution strategy like door to door distribution and this was done by sales manager of the business club.
- Service innovation. The business used cashless transactions to some of business customers such as teachers who paid their money using mobile money services and this was directly put on our account by the school bursar.

Ways through which the business project what innovation.

- ✓ Production of variety e.g samosa, chapattis.
- ✓ Using unique packaging eg. using paper bags.
- ✓ Using unique product design and shapes e.g production v triangular samosas.
- ✓ Using unique flavours eg orange flavours, ginger flavours etc
- ✓ Using unique brand names eg Kika samosa, simsim chapatis
- ✓ Using product distribution e.g .door to door distribution.

BUSINESS AND NATURAL ENVIRONMENT

Effects / Impacts of the business project activities

Impact of the business project on the environment.

- ✓ Created employment opportunities e.g cleaners from the community were employed by the business
- ✓ Exploited the idle local resources e.g. idle land, idle rooms with in the school premises were occupied by the business project activities.
- ✓ Sponsoring community development programmes such as ensuring proper cleanliness, proper disposal of wastes etc
- ✓ Created market for the community members produce like onions, flour, cooking oil etc were purchased from the community shops. this has improved their income levels.
- ✓ Participating in social activities like tree planting, cleaning among others.
- ✓ Acted as a source for study purposes.

- ✓ Contributed to the government's revenue this was done through employing community members who later managed to pay government taxes.
- ✓ provides goods to the local community at a relatively affordable prices

Negative impacts

- ✓ Littering the compound with paper bags, polythene bags etc.
- ✓ Students making noise when consuming the products during break/launch time.
- ✓ Causing health hazards and possible accidents to students most especially during production work like cutting their fingers.
- ✓ Sound pollution. Students made noise while buying business products
- ✓ Deforestation. Trees were while collecting fire wood
- ✓ Air pollution

The business is conserving the environment in the following ways.

- ✓ By ensuring proper disposal of the wastes e.g egg shells are properly disposed
- ✓ By recycling the wastes e.g shell are later sold poultry farmers to make poultry feed.
- ✓ By planting trees e.g the business club planted some trees in the school as a way of conserving the environment
- ✓ Educating the school community about proper disposal of waste e.g students are encouraged to dump wastes in gazzated dust bins.
- ✓ Using environmental friendly packaging materials like paper bags which are less harmful to the environment.

The business can maintain cleanliness of its environment in the following ways.

- ✓ By sweeping the compound daily by the school cleaners who were employed by the business project
- ✓ By ensuring daily mopping
- ✓ By slashing the compound grass and trimming of the flowers.
- ✓ By painting walls periodically, especially during holidays
- ✓ By ensuring cleaning of the working equipment e.g chairs
- ✓ By providing appropriate sanitary facilities like towels, toilet papers etc

How the business disposed off / manage waste materials;

- ✓ Dumping waste materials in waste disposal bins/covered containers.
- ✓ Burning of waste materials such as littered paper bags by customers in the pit next to girls' toilet.
- ✓ Using chemicals which decompose waste materials such helping to break wastes down into simply organic matter
- ✓ Recycling the waste materials.
- ✓ Dumping waste in a single gazette area /place.
- ✓ Selling waste materials to other businesses
- ✓ Using waste materials as manure, feeds etc
- ✓ Re-using waste materials e.g containers , buckets etc

- ✓ Contracting waste management firm to carry away waste materials

RISK AND RISK MANAGEMENT IN THE BUSINESS PROJECT

Challenges faced by the business should include;

(i) The following are the challenges the business is encountering.

- ✓ Insufficient capital for expansion operations. This was due to inability of some club members to clear their membership fees as agreed by the club patron. This was challenge to raise enough capital for the business.
- ✓ Limited skills to professionally perform duties e.g some students lacked skills of making chapattis and half cakes.
- ✓ Decision making was not easy and this was due to large number of business members, so a lot of consultation was needed before implementation of a decision for a business like purchasing decision, production decision.
- ✓ High cost of raw materials and this reduced on the business working capital thus lowering on the profit sharing ratio of business partners for example the price for wheat flour was hiked from 5,000 to 7000 per packet.
- ✓ High competition with similar businesses like the school canteen and shops around the school community, this reduced on the market share of the business project thus low profits.
- ✓ Challenges of bad debtors as some students and teachers didn't want to pay their dues, this tied a lot of business capital in debts thus unable to finance production activities of the business
- ✓ Limited space for carrying out production work. We were given a small room there production was taking place.
- ✓ Challenge of supervising labourers (students) since most them never wanted to work.
- ✓ Limited market due to increased changing in customers' taste and preference most especially senior ones and senior twos
- ✓ Limited time to participate in business project activities, this was brought by the school tight programmes, the business operated once in a week
- ✓ Sabotage /Resistance from some teachers and the school administration. Most teachers like Mr Kimuli Fred had interest in making the same business due to abnormal profits.
- ✓ Challenge of rewarding the members/owners of the business. Since most of them were not actively participating in the production activities but they wanted to get equal share of business profits.
- ✓ Loss/theft of business products and property/funds. The financial treasurer took most the business funds for her personal use. This was found out by our teacher Mr. Fred after auditing the project's books of accounts.
- ✓ Uncooperative members. Most business members never wanted to work as directed by the club patron, there was also division among the students and this made conflicts possible during the production process.
- ✓ Bad weather such as heavy rains and scorching sun, this stagnated the business activities thus making loses since no activities.

- ✓ High operation costs such as high cost of buying raw materials, high costs of paying labours, high cost of transporting raw materials from the market centers.
- ✓ Unreliable utilities for instance unstable power which was on and off. This affected so much the production of some business products such blending of juice and popcorn production.
- ✓ Accidents at work place. For example most students burnt and cut themselves when carrying out the production activities. A case in point was Nalubega Sophie who burnt herself cooking oil when deep frying chips.
- ✓ Challenge of maintaining good quality products /services.
- ✓ Use of improper /inappropriate technology or challenge of changing technology. For example juice was made using hands.

MEASURE TO OVERCOME THE ABOVE CHALLENGES BY / THROUGH

- ✓ Advertising e.g. putting posters on the notice board to sensitize the students about the business products, where to find them, their prices and how to handle them.
- ✓ Ensuring quality production, this was done through setting quality standards to be observed during production process, working from clean environment, sourcing from quality supplier and motivating workers to increase on their morale.
- ✓ Price reduction to attract more customers and out compete business rivals like school canteen like the price of chapatti cost shs 400.
- ✓ Selling mainly on cash basis to reduce cases of bad debtors and credit to only credit trustworthy customers like teachers, prefects and school administrators.
- ✓ Sourcing raw materials from cheap suppliers to increase on the profitability of the business project.
- ✓ Improving on the entrepreneurship skills such as marketing skills, managerial skills, negotiation skills (for best prices), financial management skills among others.
- ✓ Monitoring the activities of competitors (school canteen) to learn from them so as to improve on the production activities.
- ✓ Having friendly dialogue with the school management to accept practical entrepreneurship in the school on a daily basis or twice a week.
- ✓ Selling shares to increase on the business funds for example the business sold 100 shares for shillings 200 each to interested members like prefects and teaching staff.
- ✓ By looking for new markets outside the school to expand on the market size and counteract stiff competition with school canteen.
- ✓ Capitalization of the business through borrowing from the school administration shs 100,000, fundraising to increase on the business capital.
- ✓ Improving decision making through training consultations, following set guidelines most especially by the club patron.
- ✓ Conducting training and retraining of members to improve on their skills.
- ✓ Rewarding members according to the set guidelines basing on participation, share capital contribution etc

- ✓ Safeguarding business property by keeping it in secure rooms and maintaining proper records/ improved or tightened security.
- ✓ Disciplining the uncooperative members by firing them, enforcing work schedule, sensitizing them etc
- ✓ Provision of guidance and counseling about importance of practical entrepreneurship education/sensitization about the benefits of practical entrepreneurship education.
- ✓ Cost minimization by members doing the work themselves buying inputs from cheaper sources, using free school facilities etc
- ✓ Using alternative sources of utilities e.g firewood for electricity /charcoal, fetching water from the stream / well
- ✓ Use of protective gears / equipment like gloves, gumboots etc /frequent cleaning of the work station.
- ✓ Improving quality through use of skilled use of good quality raw materials etc
- ✓ Improving technology through technological transfer technological development etc like using of blending machine, popcorn machine,

WAYS OF MAINTAINING SECURITY IN THE BUSINESS

- ✓ Checking thoroughly all vehicles, motor cycles and persons entering or leaving the school at the entrance.
- ✓ Installing security lights and switching on them at night to improve on the lighting system of the school and the business club premises.
- ✓ Having in place a well maintained fence and monitoring it at all times by the club and school security personnel.
- ✓ Installing security monitoring equipment like CCTV cameras, alarm systems
- ✓ Employing well-armed and well trained security workers and giving them clear instructions relating to security.
- ✓ Placing warning notices relating to security at different points within business and outside the premises.
- ✓ Restricting permission to enter the business to business customers, workers and other permitted business parties such as the club patron.
- ✓ Installing fire extinguishers at the business work place.
- ✓ Ensuring that all club workers wear ENT club business uniforms that have name and number tags on them at all times during working time.
- ✓ Ensuring close supervision of all club workers while carrying out their duties to minimise theft.
- ✓ Safely locking all business movable assets like cash, work equipments etc.

WAYS OF ENSURING SAFETY /MINIMISING LOSS OF BUSINESS FUNDS/CASH

- ✓ Ensuring proper documentation of all cash received and paid out.
- ✓ Securing and depositing the business's cash to the school bursar immediately after receiving it. This was done by the club treasurer.
- ✓ Keeping the remaining cash at the business premises safely locked up in the money safes and also locking the doors to the cash safe rooms.

- ✓ Ensuring that only authorised personnel like the club treasurer received cash receipts and recorded all cash received in the cash receipts and other relevant books.
- ✓ Ensuring that all cash expenditures are requested for through the club president and club treasurer and then approved by an authorized like the patron.
- ✓ Prohibiting any cash drawings from the business but if allowed then restricting the amount and charging interest on the amount withdrawn. For example when charged 20% on any drawings made by members.
- ✓ Ensuring timely collection of debts within one month or as soon as they are incurred so as to avoid losing money due to bad debts like unfaithful students such as Kato and Kamoga.
- ✓ Buying business items from a nearby reliable and cheap supplier like from Gangu trading centre in order to minimize high expenditure due to high transport costs.
- ✓ Employing certified auditors to check the accounts records for error and fraud and this was done by our patron who is a public certified accountant.

TO BE CONTIUNED

FOR COMPLETE NOTES BOOK CALL

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