Institute of Finance Management (IFM)

Entrepreneurship – MSU 08504

Bachelor of Accounts with Information Technology (BAIT)

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Lecturer - Madame : Siriel Shaidi Mchembe

Contacts : sirielmchembe@gmail.com

Topic Three
Use Business Management Techniques to Plan for a New Venture

1. Explain the motives behind starting a venture (push & pull factors)
2. Explain the steps for starting a new business venture
3. Explain different structuring for a new venture
4. Describe the legal issues related to emerging venture
5. Explain the process of acquiring intellectual property
6. Investigate sources of capital for a new venture
7. Explain entrepreneurship opportunities
8. Carry out an investigation on business registration
9. Investigate the process of registering a barcode

3.3.1 Explain the motives behind starting a venture (push & pull factors)

a. Pull and Push factors

The two types of motives behind starting a venture which are pull and push factors can be distinguish based on their motivation to engage in entrepreneurial activity:

❑ "Push" entrepreneurs are those whose dissatisfaction with their positions, for reasons unrelated to their entrepreneurial characteristics, pushes them to start a venture. Push factors are negative or undesirable situation that compel or force an individual to leave their current employment and start their own business.

❑ "Pull" entrepreneurs are those who are lured by their new venture idea and initiate venture activity because of the attractiveness of the business idea and its personal implications. Pull factors are the positive or desirable opportunities that attract an entrepreneur to pursue business as a career choice. Statistical analysis of data obtained from a questionnaire we recently mailed to Canadian enterprises reveals that "pull" entrepreneurs are more successful than "push" entrepreneurs.

3.3.1 Explain the motives behind starting a venture (push & pull factors)

b. Pull factors

- ❑ Employment opportunities.
- ❑ Higher income.
- ❑ Personal development.
- ❑ Higher living standards.
- ❑ Better public services.
- ❑ Self-fullfillment and achievement
- ❑ Economic freedom

3.3.1 Explain the motives behind starting a venture (push & pull factors)

c. Push factors

- ❑ Unemployment or underemployment.
- ❑ Job dissatisfaction.
- ❑ Lack of career prospects.
- ❑ Poverty.
- ❑ Famine or drought.
- ❑ War and political conflicts.
- ❑ Religious or political persecution.
- ❑ Natural disasters

3.3.1 Explain the motives behind starting a new venture

i. Creation of wealth

ii. Vision to transform society

iii. Loss of job

iv. Autonomy of freedom and flexibility

v. Sense of achievement

vi. Survival

vii. Influence from successful entrepreneurs

3.3.2 Explain the steps for starting a new business venture

i. Think of a profitable business idea
ii. Conduct market research
iii. Define your target customers
iv. Analyse SWOT
v. Write a detailed business plan
vi. Look for funding options
vii. Project timelines and deadlines
viii. Marketing activities
ix. Register your business
x. Get necessary permissions and licencing

3.3.3   Explain different structuring for a new venture

Every new venture has its own structure basing on the following main factors:-

i.   Legal entity for the business (sole proprietorship, partnership, limited liability company or corporation)

ii. Develop comprehensive business plan

iii. Set the operational structure

iv. Financial resources

3.3.4 Describe the legal issues related to emerging venture

1. Business registration depending on the type of business
2. Intellectual property (patents, copyrights, trademarks, and trade secrets)
3. Contracts negotiations (partners, suppliers, and vendors)
4. Employment laws
5. Compliance with specific legal regulations and standards
6. Environmental regulations
7. Taxation
8. Privacy and data security

3.3.5 Explain the process of acquiring Intellectual Property (IP)

a. Intellectual Property (IP) refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in business.

b. The office of BRELA's Register of Patents is responsible for administering the whole process.

c. Application for the registration of a patent in Tanzania is done by filling form no. P 2 which must be accompanied by a patent document in triplicate.

d. Intellectual property rights, including patents and trade-marks, are frequently used to protect innovation.

e. At its simplest, property involves exclusive rights.

3.3.5 Explain the process of acquiring Intellectual Property (IP)…

Four types of IP protection

i. Patent - Protects an original device, process, or composition of matter e.g., utility patents, design patents, plant patents.

ii. Copyright – Protects creative expressions and printed materials e.g., software, architectural designs, graphic arts, video and sound recordings, database, consulting manuals, books, or maps.

iii. Trademark – Guards a product and company name, logo, symbol, slogan, taglines, brand colours, or figure

iv. Trade secrets – Guards a brand or service name, logo, symbol, or figure e.g., formulas, patterns, methods, techniques and processes.

3.3.5 Explain the process of acquiring Intellectual Property (IP)…

Different IP Laws in Tanzania

i. Trade and service mark act 1986 cap 326 (R.E 2002)

ii. The merchandise Marks Act, cap 85 (R.E 2002)

iii. The penal code cap 16 (R.E 2011)

iv. Copyright ordinance of 1924 (R.E 1966, 1999)

v. Copyright and Neighbouring Rights Act, 1999 (R.E cap 218 of 2002)

vi. Copyright society of Tanzania (COSOTA) established under copyright and neighbouring rights Act, 1999.

3.3.5   The process of acquiring Intellectual Property (IP)…

Step 1: Identify the potential IP asset (patents, trademarks, copyrights or trade secrets)

Step 2: Conducting a thorough search (it is important to ensure the proposed IP is unique and does not infringe on existing rights.

Step 3: Filling for protection (The application process depends on the type of IP and the jurisdiction on which protection is sought)

Step 4: Patent application, Trademark registration or Copyright registration

Step 5: Managing the IP Portfolio

3.3.6 Investigate sources of capital for a new venture

❑ Debt financing e.g. Financial institutions, VICOBA

❑ Government guarantee schemes

❑ Donors/ Grants / investors

❑ Family and friends

❑ Crowd funding

❑ Retained earnings

❑ Private equity funding

❑ Initial Public Offering

3.3.7 Carry out an investigation on business registration
(Business name verification through (BRELA) search system

The Business Registration and Licensing Agency (BRELA) is and Executive Agency under the Ministry of Industry and Trade responsible for Business Administration and Regulation of the laws; namely Companies Registration, Business Names Registration, Granting of Patents and issuing of industrial License. It was established under the government Executive Agencies Act. No. 30 0f 1997 and formally launched on 3rd December 1999.

a) Outline the key features concerning business online registration system.

b) Identify steps for business name verification through BRELA Search System

• BRELA official search will help you how to get summarised information in regards to your business (https://ors.brela.go.tz)

3.3.8 Investigate the process of registering a Barcode

a) What is Global Standard 1 (GS1)?

- (Global Standard 1) is an international standards organisation with member bodies in more than 100 countries worldwide). It is a not-for-profit, international organisation developing and maintaining its own standards for barcodes and the corresponding issue company prefixes. GS1 manages the Global Trade Item Number (GTIN) system, which identifies companies and their products and services.

- GS1 Tanzania is the only organisation authorized by GS1 to provide GS1 barcodes and identification numbers in Tanzania. GS1 standards enable organisations to identify, capture ad share information smoothly, creating a common language that underpins systems and processes all over the world.

3.3.8 Investigate the process of registering a Barcode

a) **What is Global Standard 1 (GS1)? (cont.....)**

❑ GS1 Tanzania is representing GS1 globally. It is an organisation that develops standards and services improving the efficiency and visibility of supply and demand chains globally across sectors. It also helps an organisation increases and expands the market span of the locally produced products at the domestic and international markets.

❑ GS1 Tanzania was established in collaboration with the Government of Tanzania through Ministry of Industry and Trade in collaboration with Tanzania Private Sector Foundation (TPSF).

3.3.8 Investigate the process of registering a Barcode

Barcode is a **symbol printed on products** that can be scanned electronically. It is a machine-readable code in the form of **numbers and patterns of parallel lines** of varying widths, printed on a commodity and used especially for stock control.

a) **What is barcode used for?**

i. **Increases efficiency** by eliminating manual entry of product information at receiving, meaning there are far fewer opportunities for error.

ii. **Real time data**. Each time an employee scans a barcode, it immediately updates inventory and sales number in the resource system.

iii. **Inventory control.** Barcodes improve inventory management and reduce excessive spending of products.

3.3.8 Investigate the process of registering a Barcode…

a) What is barcode used for? (cont…..)

iv. **Reduced training**. For the most part, barcodes and scanners are self – explanatory, so it doesn't take new employees long to become efficient at the checkout counter.

v. **Low cost**. Barcodes offer tremendous value, as the upfront investment is not large compared to system that provide comparable benefits.

vi. **Track products.** Barcodes help track products as they move through supply chain and other data. Barcodes are also used to track shipments, verify product authenticity, and manage returns.

vii. **Identify products in store.** Barcodes provides information to a computer system, which is used to track inventory, pricing, efficiency in sales operation

3.3.8   Investigate the process of registering a barcode….

The process of barcode acquisition involves ten basic steps as follows:-

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i.   Obtain company's registration

ii. Issue GS1 identification number

iii. Select a barcode printing company

iv. Select a "primary" scanning background

v.   Select of the barcode

vi. Pick a barcode size

vii. Format the barcode text

viii.Pick the barcode colour

ix. Pick the barcode placement

x.   Build a barcode quality plan