



KWAME NKRUMAH UNIVERSITY OF  
SCIENCE AND TECHNOLOGY  
COLLEGE OF HUMANITIES AND SOCIAL  
SCIENCES  
SCHOOL OF BUSINESS  
DEPARTMENT OF HUMAN RESOURCE  
AND ORGANISATIONAL DEVELOPMENT  
**Management II**

Longenecker et. al. (2008). A. Sardiya  
(2019)

# COURSE DESCRIPTION & OBJECTIVES

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Management II is an introductory course which exposes students to practical and compelling contexts, processes and approaches adopted in entrepreneurship and small business management.

This course has been designed following the calls to link academia with industry and the need to harness job-creation cum self-employment thinking among graduates.

The main focus of the course is to expose students to the realities of being an entrepreneur. The course aims to provide an understanding of how small businesses organizations can be managed more effectively while at the same time helping students connect with their entrepreneurial traits.

# COURSE CONTENT



## Understanding small business and entrepreneurship;

- ❧ Small business in the economy
- ❧ Entrepreneurship, the entrepreneur and the owner-manager

## Creating the entrepreneurial small business

- ❧ Business planning
- ❧ Successful small business strategies
- ❧ Start-ups and franchises
- ❧ Buying an existing business
- ❧ Starting a business in Ghana

# Course content



Managing the entrepreneurial small business

❧ Managing people and resources

❧ Marketing



# Recommended Text



☞ Stokes, D., Wilson, N., & Wilson, N. (2010). *Small business management and entrepreneurship*. Cengage Learning EMEA.

☞ Burns, P. (2014). *New Venture Creation: A Framework for Entrepreneurial Start-Ups*. Palgrave Macmillan.

# COURSE STRUCTURE



Mode of instruction is a two hour face-to-face lecture per week.

Real life case studies will be discussed in class from time to time.

# Assessment



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Attendance	5%
Mini-project	15%
Mid-semester exams	10%
End-of Semester exams	70%



# APPOINTMENT TIME



✧ Students can always contact me via e-mail through [alimatusardiya@yahoo.com](mailto:alimatusardiya@yahoo.com)

I would respond to emails as quickly as practical.

# LESSON ONE



## SMALL BUSINESS AND THE ECONOMY

Longenecker et. al. (2008). A. Sardiya  
(2019)

# LESSON OBJECTIVES



By the end of this lecture, students should be able to;

- > Critically analyse the changing commercial environment and how it impacts on entrepreneurship;
- > Explain how the approach entrepreneurs take to management in a risky, uncertain environment differs from 'traditional' management.
- > Explain why entrepreneurs and small firms are so important to the economies of modern countries.



# SMALL BUSINESS IN THE ECONOMY

## Introduction

So far the 21st century has seen enormous turbulence and disruption.

The old world order has changed and continues to change. Economic power is moving east from the USA and Europe to China and India.

If the most startling evidence of this was the financial crisis of 2008 that plunged the mature Western economies into recession, the seeds of change were sown much earlier.

# Introduction



More specifically, in the business world, corporate integrity has come to be questioned following what some spectacular corporate failures, like the most recent Carillion collapse in the UK.

In Ghana, the DKM scam, the more recent Menzgold saga and the abrupt liquidation of UT and Capital banks among other who appeared to be doing well are evidences of the changes sweeping through global business environment.

Longenecker et. al. (2008). A. Sardiya

(2019)



# Introduction



Underpinning the volatility is the development of global connectivity – an increasingly complex world full of interconnections formed by a truly global marketplace facilitated by exciting technologies that allow instant communication from almost anywhere.

Small changes tend to be amplified in highly connected systems. Actions in one part of a market can have unexpected and rapid consequences in another part of it in a market in a different country or even continent. And nobody, not even sovereign states, seem able to control this.

Longenecker et. al (2008), A. Sardinia  
(2019)

# Introduction



In the midst of these changes, commercial opportunities remain but competition is now as much about survival as growth. And, as global competition continues to increase, sources of competitive advantage are proving increasingly difficult to sustain over any period of time.

So much so that it is the ability to create new sources of competitive advantage quickly, again and again, that is proving to be the only sustainable source of real competitive advantage.

# Introduction



In the face of these changes, firms must also respond to changes in consumer needs quickly, just as they must react quickly to the actions of competitors.

But for entrepreneurs change presents opportunities – and these changes have meant small entrepreneurial firms have flourished. For entrepreneurs such seeming turbulent disturbances present opportunity to be both ethical and to improve competitiveness by differentiating themselves from competitors.

# Factors that have promoted the growth in entrepreneurship and SMEs



In addition to the changing nature of “Change” Other factors have accelerated the trend towards smaller, more entrepreneurial firms.

- ❧ Technology

- ❧ The move from industrial economy to knowledge economy

- ❧ Changing social trends



# Technology



Technology has played a major role by influencing the trend in three ways.

- ❧ Firstly, the new technologies that swept the late-20th-century business world have been pioneered by new, rapidly growing firms. Small firms have pioneered innovation in computers, the internet and mobile technologies, creating new markets for these innovations.
- ❧ Small firms have been at the forefront of developing mobile applications, or apps, because the costs of doing so are low but the gains from selling to a global market can be enormous



# Technology



Secondly, these technologies have actually facilitated the growth of self-employment and small business by easing communication, encouraging working from home and allowing smaller and smaller market segments to be serviced.

Indeed, information has become a product in its own right and one that can be generated anywhere around the world and transported at the touch of a button.

# Technology



☞ Thirdly, technology has significantly reduced the fixed cost of doing business so that production can be profitable in smaller, more flexible units.

They have also simplified the routes to market so that small firms can sell to larger firms or direct to customers around the world, without the expense of putting in place a distribution network.

And as large firms increasingly outsource non-core activities, the beneficiaries are often small firms.

# Move from Industrial Economy to Knowledge Economy

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In a knowledge economy, value is increasingly being created, not from physical assets, but from knowledge and the virtual assets it creates – a shift from assets that must be purchased and then restrict flexibility to ones that can be built up over time and used in many different ways.

This move means that economies of scale (with costs declining as volumes increase) have become less important as a form of competitive advantage making it possible for small businesses to compete with larger ones.

# Changing Social Trends



Social trends have also accelerated the growth of small firms. People want to control their own destiny more by pursuing freedom .

After periods of high unemployment, they see self-employment as more attractive and more secure than employment.

Redundancy has pushed many people into self-employment at the same time as the new 'enterprise culture' gave it political and social respectability.

And finally the role of entrepreneur has become respectable and admired.

Longenecker et. al. (2008). A. Sardiya  
(2019)



# SMEs' Contribution to the Economy

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## ∞ India

30 million operators

Contribute 20 per cent to GDP

45 per cent of industrial output

40 per cent of exports

Employ 60 million people

Create 1.3 million jobs every year



# SMEs' Contribution to the Economy

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## Europe(2003)

19 million SMEs

140 million jobs

SMEs percentage of total businesses is 99.73%

## USA

21.2 million SMEs

49 million jobs

99.72 % of businesses are SMEs

# SMEs' Contribution to the Economy

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## Ghana

92 per cent of registered companies are SMEs.

SMEs provide 85 per cent of manufacturing employment.

Contribute about 70 per cent to Ghana's GDP.

# Management in Entrepreneurial Firms and SMEs



While large firms have increasingly found difficulty in dealing with this new order, start-ups and smaller ventures seem to find opportunities that these larger, more established firms find threatening.

Even in this age of uncertainty and austerity SMEs and entrepreneurs thrive, despite facing increasingly fierce competition.

# Management in Entrepreneurial Firms and SMEs



McMillan (2004) characterized what she called the 'traditional, classical, mechanistic' view of change as abnormal, potentially calamitous, an incremental linear event that is disruptive that can be controlled.

She contrasted this to what she called the 'new, modern dynamic' view that change is normal, continuous, turbulent, both revolutionary and incremental, uncontrollable and non-linear but full of opportunities.

# Management in Entrepreneurial Firms and SMEs

**Table 1.1** Traditional vs modern views of change

**Traditional, classical, mechanistic view of change**

**New, modern, dynamic view of change**

Abnormal	vs	Normal
Incremental	vs	Both revolutionary and incremental
Linear	vs	Non-linear
Disruptive	vs	Turbulent
Potentially calamitous	vs	Full of opportunity
Cause and effect	vs	About learning and creativity
An event	vs	Continuous
Controllable	vs	Uncontrollable

Longenecker et. al. (2008). A. Sarda  
(2019)



# Management in Entrepreneurial Firms and SMEs



*“Sometimes people imagine that going into business is a smooth trajectory from struggling start-up to fully-fledged global brand. But that’s never really the case. Growing a company is all about overcoming endless challenges, big and small. This is also what makes starting a business the most exciting adventure anyone can go on.”*

Richard Branson, founder,  
Virgin Group, The Sunday  
Times, 7 December 2014

# Management in Entrepreneurial Firms and SMEs



*“We stand on the threshold of a new age – the age of revolution. In our minds, we know the new age has already arrived: in our bellies, we’re not sure we like it.*

*For we know it is going to be an age of upheaval, of tumult, of fortunes made and unmade at headsnapping speed. For change has changed. No longer is it additive. No longer does it move in a straight line. In the twenty first century, change is discontinuous, abrupt, seditious.”*

Gary Hamel, 2000, Leading the Revolution, Boston: Harvard Business School Press



# The End

Longenecker et. al. (2008). A. Sardiya  
(2019)



# LESSON TWO



## ENTREPRENEURSHIP, THE ENTREPRENEUR AND THE OWNER- MANAGER

Longenecker et. al. (2008). A. Sardiya  
(2019)



# Lesson Objectives



By the end of this lesson, students are expected to;

- ❧ Define entrepreneurship understand the various forms that entrepreneurship might take
- ❧ Define SMEs and Understand characteristics of SMEs
- ❧ Understand the management approach(es) of the owner manager.



*“The mind-set that in a huge global economy the multinationals dominate world business couldn’t have been more wrong. The bigger and more open the world economy becomes, the more small and middle-sized companies will dominate.”*

John Naisbitt, 1994, Global  
Paradox: The Bigger the World  
Economy, the More Powerful Its  
Smaller Players, London: BCA

Longenecker et. al. (2008). A. Sardiya  
(2019)

# Introduction



Today, some 40 percent of adults say they would like to launch their own company, to call their own shots—and many are doing just that. According to the Small Business Administration, 600,000 businesses are started each year in the

United States alone. That's more than one new company launched every minute! If you dream of owning your own business one day, the time to start preparing is now.

An entrepreneurial fever is also sweeping the nation's campuses, as students take classes to learn how to launch, finance, and run their own companies.

# Introduction



John Fernandes, president and CEO of AACSB International (the organization that accredits business schools around the world), puts it this way, “Entrepreneurship will continue to grow and mature into a distinct management discipline. . . . Elements of entrepreneurship will emerge as essential to any business education.” In other words, in today’s world your business courses, whatever your particular specialty or major, had best include the study of entrepreneurship. Business students, along with engineers, teachers, artists, pharmacists, lawyers, nurses, and many others, are hearing the call to own their own businesses.

You are living in a world of entrepreneurial opportunity, one that is an immensely more hospitable place for entrepreneurs than it was 20 years ago!



# Defining Entrepreneurs



The Oxford English Dictionary defines an entrepreneur as 'a person who attempts to profit by risk and initiative'. But this definition, while emphasizing risk and initiative, could cover a wide range of professions, including that of a paid assassin.

The difference is more than just one of legality.

The question to ask is, how do they make profit? The notion of entrepreneur has been crafted over many centuries, starting with Cantillon (1755), and has seen many different emphases.

# Defining Entrepreneurs



Over 200 years ago **Jean-Baptiste Say**, the French economist, said: 'entrepreneurs shift economic resources from an area of lower productivity into an area of higher productivity and greater yield' (1803).

The perception of entrepreneurs promoting efficiency by shifting resources have been attributed to writers who attempt to explain how entrepreneurial opportunities are created –

❧ **The Schumpeterian view and**

❧ **The Kirznerian view**

# Schumpeterian view



In the Schumpeterian view, opportunities emerge out of the entrepreneurs' **internal disposition** to initiate or create change. They are the **innovators** who 'shock' and disturb the economic equilibrium during times of uncertainty, change and technological upheaval. With Schumpeter the emphasis is on independent firm formation by entrepreneurs leading to this 'creative destruction'.

# Kirznerian view



The Kirznerian view emphasizes opportunity recognition and implies that entrepreneurial profits are secured on the basis of knowledge and information gaps that arise between people in the market – called **information asymmetry** – all based within the general equilibrium or neoclassical model of economics, originally derived from Marshall (1890).

In this view, entrepreneurs are **alert, discovering opportunities** by acting as an **arbitrageur** or a **price adjuster** in the marketplace.

Kirzner's work is based on that of Knight, who discussed entrepreneurship's role in wealth creation with an emphasis on the ability to cope with risk and uncertainty.



# Defining Entrepreneurs



In reality, both Schumpeter and Kirzner may be right. Because entrepreneurs spot and create opportunities.

*An entrepreneur creates and/or exploits change for profit by innovating, accepting risk and moving resources to areas of higher return. (Burns, 2016)*

*How will we place Facebook and Whatsapp? Were the two products as a results of creating opportunity or spotting opportunity?*

# Defining Entrepreneurs



Entrepreneurs provide an essential source of new ideas and experimentation that would otherwise remain untapped in the economy (Acs and Audretsch, 2005).

We call this process **innovation** and this is an essential tool for entrepreneurs and one that creates wealth for an economy.

Entrepreneurs may also create new demand or find new ways of exploiting existing markets. They identify a commercial opportunity and then exploit it. They are agents of change. In essence, an entrepreneur is best defined by his/her actions.

# Forms of Entrepreneurship

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- ❧ Entrepreneurs create new demand or find new ways of exploiting existing markets. They identify a commercial opportunity and then exploit it.
- ❧ Intrapreneurs: Entrepreneurs could undertake their activities for established, larger firms while remaining in salaried employment, content for the profits (and risks) of their work to go to their employers.

# Forms of Entrepreneurship

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- ❧ Owner-managers: They own the business they manage. Sole traders are owner-managers. Managers of companies owning over 50% of the share capital, and thereby controlling the business, are owner-managers. The term is also used loosely when a small group of managers own and control the business. However, **not** all owner-managers are entrepreneurs.



# Forms of Entrepreneurship

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- ❧ Social entrepreneurs usually operate as entrepreneurs within organizations whose primary purpose is social rather than economic – called social enterprises. Sometimes they create these organizations themselves but sometimes, like an intrapreneur.
- ❧ Serial entrepreneurs usually start a new business, go on to sell off the businesses when they become successful businesses and move on to grow another, capitalizing on their ability to start a new venture and creating personal wealth from their sale rather than from its operation.

# Forms of Entrepreneurship

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- ❧ Entrepreneurship that emphasizes joint economic and ecological value creation only has been called **environmental entrepreneurship, eco-entrepreneurship and eco-preneurship.**
- ❧ Another approach to this issue in recent years has been the emergence of what has become known as **sustainable entrepreneurship** – where issues of CSR(Corporate social responsibility), sustainability, ethics and good corporate governance are at the core of a ‘for-profit’ commercial enterprise.

# Forms of Entrepreneurship

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As you can appreciate, entrepreneurs and the small firms they (most of them) manage are not homogeneous.

Some entrepreneurs are successful and some are not. Each small firm is different and every small firm is organic – it will change over time and in different circumstances.

What defines the entrepreneur is their willingness to act upon an idea.

# What do entrepreneurs do?

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- ❧ Profit is not always the prime motivation for creating a new venture. For some entrepreneurs, it is simply a badge of success and the attraction of being an entrepreneur lies in being your own boss, doing what you want to do rather than what you are told to do.
- ❧ Some people spot a business opportunity – a product or a service that they do not see offered in the market or a way of doing something better or cheaper.
- ❧ Some people might be frustrated by characteristics of current products or services being offered that does not meet their needs.



# What do entrepreneurs do?

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- ❧ Some people, just a few, have a genuine 'eureka' moment when they come up with a new invention or have an idea that can revolutionize an industry.
- ❧ Whatever the source of their business idea, they feel motivated to do something about it – perhaps wanting to make a lot of money on the way. What defines the entrepreneur is their willingness to act upon the idea.

# What do entrepreneurs do?

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It is important to note that at any given time, many potentially profitable business opportunities exist. But these opportunities must be recognized and grasped by individuals with abilities and desire strong enough to assure success.

Many individuals achieve success on a very modest level in business endeavors far different from those described here. Others fail, but a failure in business is not a failure in life. Many learn from the experience and go on to start a successful business.

# Defining SMEs



As with the other terms in humanity, there is no uniformly acceptable definition of SME.

Back in 1971, the Bolton Report (Bolton, 1971), which is usually held to be a definitive report on the state of small business in Britain at the time, made heavy weather of providing a statistical definition. Recognizing that one definition would not cover industries as divergent as manufacturing and service, it used **eight definitions** for various industry groups.

# Defining SMEs



The European Commission coined the now widely used term 'small and medium-sized enterprise' (SME) and in 1996 defined it as an organization employing fewer than 250 people – a criterion that continues to be used for most statistical purposes. It defines these further categories:

Number of employees

Micro 0–9

Small 10–49

Medium 50–249

Large 250 or more



# Defining SMEs



The EU goes further to define the SME as having a turnover of less than 50 million and an annual balance sheet total of Euros 43 million Euros.

In the United States, the Small Business Administration sets small business criteria based on industry, ownership structure, revenue and number of employees.

# Defining SMEs



## **National Board for Small Scale Industries (Ghana)**

Less than ten workers and fixed assets not exceeding 10,000 Ghana Cedis

## **Ministry of Trade and Industry (Ghana)**

- ❧ Micro: Not more than 5 employees and fixed assets not exceeding \$10,000
- ❧ Small: Employs from 6-9 and fixed assets of \$100,000
- ❧ Medium: Between 10-99 workers and fixed assets of \$1,000,000

# Defining SMEs



Getting a universal definition to cover all the characteristics of SMEs is as difficult as it is impossible. However, certain characteristics may apply to most (but not all) SMEs:

- ❧ Uncertainty arising from constant structural and market changes.
- ❧ Fewer employees.
- ❧ Geographically localised.
- ❧ Few financiers.

# Entrepreneurial Management

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Entrepreneurial management is characterized as being a social activity that has a different approach to dealing with risk and uncertainty.

Successful entrepreneurs generate strong relationships with stakeholders that allow them to mitigate risk and maintain flexibility of action.

They develop strategy differently, creating strategic intent but maintaining a loose, flexible strategy and continuously strategizing and creating as many strategic options as possible.



# Entrepreneurial Management

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Successful entrepreneurs are good at developing relationships with customers, staff, suppliers and all the stakeholders in the business. They are able to form loyal relationships with customers.

They tend to manage their staff by developing strong personal relationships rather than relying on formal structures and hierarchies.

# Entrepreneurial Management

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Small firms typically approach decision-making differently than larger firms. They tend to adopt an incremental approach that is often seen as short-term.

Entrepreneurs tend to keep capital investment and fixed costs as low as possible, often by subcontracting activities.

Also, entrepreneurs are adept at compartmentalizing risk, for example by separating out business ventures into separate legal entities, so that the failure of one does not endanger the survival of the others.

# Some myths and misconceptions in entrepreneurship

- ❧ Entrepreneurs are high risk takers: the reality is that entrepreneurs are not gamblers. They take calculated risk.
- ❧ Entrepreneurs are born and never made: the reality is that every one can be an entrepreneur.
- ❧ Entrepreneurship should start in mid-life (from 40 years): you can start a business at any age.
- ❧ Entrepreneurs have more control over their schedule than salaried workers : this thinking is false.

# Some myths and misconceptions in entrepreneurship

One of the most enduring myths in American business is that of the lone entrepreneur who defies the odds by taking a creative business idea and turning it into reality by sheer force of will and personality. It makes a great story, but is that how it usually happens?

Most modern businesses' success depended on collaboration. In many cases, collaboration begins almost from the start, when two or more individuals come together as a team to launch a new enterprise.



# Kenichi Ohmae (2005)



“It is not possible to draw a picture of the universe, but we know it and how fast it is moving and developing. It is like describing the shape of a large cloud in the sky, blown off by a strong wind. Yet we know its shape and where it is because we sense it. Although it is not entirely possible to describe it in a static way, a world-class entrepreneur can describe it and even capture a large chunk of it, converting it into raindrops of profit.”

# Lesson Three



## PLANNING A BUSINESS

Longenecker et. al. (2008). A. Sardiya  
(2019)

# Lesson Objectives



By the end of this lesson, students are expected to;

- ❧ Understand the factors which influence the initiation of a business plan
- ❧ Assess the different needs of investors in reviewing the business plan
- ❧ Recognize the key factors for writing a good business plan



# Introduction



In reality, the process of drafting a business plan and strategy are inseparable. It is therefore important to emphasise at the outset that where as written business plan represents a tangible output of the planning process, it should also be seen as an integral tool for SME management, very much part of an iterative and on-going process.



# Introduction



To this extent, the business plan serves to articulate the strategic vision of the entrepreneurial team and should not be seen as a goal of and in itself.

Where this happens, there is the potential danger of investing too much credibility in the detail of the plan, especially the figures contained in the financial section.

This can have consequences for the SME owner or entrepreneur.

Thus the business plan should be seen as a 'means' to an 'end'.

# The Purpose of A Business Plan

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Most entrepreneurs and SME owners consider the business plan is a document primarily used to generate external funding or to attract investors.

This thinking is informed by certain reasons including;

- ❧ Lack of understanding of the process and/or benefits of business planning.
- ❧ The pressure on doing rather than thinking or gathering information , in small business environment.
- ❧ The belief that strategic planning is for larger firms with big business resources.

# The Purpose of A Business Plan

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The question of whether an entrepreneur will consider planning as a first step in the start-up process, has been attributed to some culturally entrenched organisational values including;

**Stability;** The desire to maintain the status-quo may discourage entrepreneurs from long-term strategic planning.

**Compartmentalization;** Employees in large firms are compartmentalized to ensure strategic coordination. SME however , tend to have flat and fraternalistic structures.

# The Purpose of A Business Plan

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- ❧ **Short-term cost orientation;** A preconceived view as to the effectiveness of cost-cutting as an overall strategy in management's mind negates the need for any strategic planning.
- ❧ **Internal-orientation;** A firm that is characterised by internal orientation generally holds the view that all company problems are to be found through intra-company analysis. External analysis therefore becomes no longer legitimate.



# The Purpose of A Business Plan

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**Reactiveness;** While reactiveness is a very important part of the business decision-making process, some managers may consider reactive decisions more appropriate than proactive ones.

# When to Draw a Business Plan

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There are events that may necessitate the need for a business plan.

**Start-up;** After conceiving a business idea and conducting a feasibility study, a new business may require a detailed planning stage to come out with business plan.

**Business Purchase;** Buying a new business does not negate the need for a business plan. A business plan which tests the sensitivity of changes to key business variables (such as drop in sales or increase in demand) helps the new buyer understand the potential risk and returns.

# When to Draw a Business Plan

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**On-going review;** To have lasting benefits, a business plan should not be a one-off document but the live, strategic and tactical planning focus of either a start-up or an existing business.

**Major decisions;** Even if planning is not done regularly, it is usually prompted in times major changes such as seeking external funding or when considering a merger.

# Who Can Benefit From The Business Plan?

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Three people are likely to benefit from the business plan;

**Managers;** Managers may be the producers of the business ideas. The owner-manager or an employed manager both require a business plan to provide strategic focus and direction.

**Owners;** A plan may be intended for prospective equity partners, either a sleeping partner looking for an investment or an active partner looking for a small business to join. Owners may also be lenders, who take a equity stake in return for providing loans.



# Who Can Benefit From The Business Plan?

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**Lenders/investors;** The minimum document required by lenders and banks is the business plan.

Research indicates that different investors look for different things in a business plan. Thus the entrepreneur must develop a business looking to satisfy the particular needs of the concerned stakeholders.

# The Significance Of A Business Plan

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Owners, managers and investors are interested in the business plan for the following reasons;

**Assessing the feasibility and viability of the business.**

**Setting objectives and budgets.**

**Calculating how much money is needed.**

# The Significance Of A Business Plan

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For the manager, the business plan helps;

**Clarify ideas**

**In information-gathering**

**In building a team.**

# The Format Of A Business Plan

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Three key question are addressed in a business plan.  
These are;

Where are we now?

Where do we intend going?

How do we get there?



# The Format Of A Business Plan

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## **Where are we now?**

An analysis of the current situation of the marketplace, the competition, the business concept and the people involved is a necessary first step. It will include any historical background relevant to the position to date.

# The Format Of A Business Plan

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## **Where do we intend going?**

The decision that is intended for the business should be clear and precise, if others are to share in its vision for the future. Also required is the qualitative expression of the objectives and quantifiable targets which will clarify and measure progress towards intended goals. Identification of likely changes to business environment will build on the opportunities outlined, and assess possible threats.

# The Format Of A Business Plan

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## How do we get there?

Although planning is vital to have a clear sense of the chosen destination, it is also important for the entrepreneur to stay flexible and alert to opportunity. Knowing when to stay on the chosen path, when to stay flexible and alert to opportunity. Knowing when to stay on the chosen path, and when to stray off it, is perhaps a key entrepreneurial characteristic.

# The Format Of A Business Plan

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The precise format of a business plan depends on the particular business and the intended audience of the plan. It is therefore not possible to suggest subject headings for a plan which would have universal application.

Whatever the format adopted, it is essential that the separate sections of the plan integrate together into a cohesive whole.

Critical to a successful business plan is the presentation of appropriate evidence to demonstrate to the reader that the entrepreneurial team has critically thought through the business idea and have a clear understanding of its success and risks.





“I am often asked what it is to be an entrepreneur and there is no simple answer. It is clear that successful entrepreneurs are vital for a healthy, vibrant and competitive economy. If you look around you, most of the largest companies have their foundations in one or two individuals who have the determination to turn a vision into reality.

Richard Branson, from  
Anderson (1995), Local Heroes,  
Glasgow: Scottish Enterprise.