

THE TEF BUSINESS MANAGEMENT TRAINING PROGRAMME

MODULE 2

BUSINESS OWNERSHIP

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BUSINESS OWNERSHIP

OVERVIEW

This module introduced entrepreneurship which is the core to entry into the business world. A clear understanding and distinction of an entrepreneur and the concept of entrepreneurship is very important.

The module is another star-up pack that enables entrepreneurs understand the very fundamental elements of entrepreneurship and the major requirements needed to succeed as an entrepreneur. Entrepreneurship is often regarded a been significance to the development of man-kind and the society at large.

MAIN OBJECTIVES

At the end of the training participants will be able to

- Describe an entrepreneur and entrepreneurial business venture.
- Understand the concepts of Vision and Mission
- Identify and Discuss Entrepreneurial Context
- Define different types of business ownership.
- Create Staffing Plan & Process for their organization
- Understand Procurement Process Flow

1.0 - INTRODUCTION TO **ENTREPRENEURSHIP**

- An entrepreneur is a person who identifies opportunities, assembles all the resources (human and material) needed to pursue the opportunity and creates an enterprise around the opportunity; and nurtures it to growth. He possesses flair for creativity and innovation as well as knowledgeable about his environment.
- To start a business, it is essential to learn the specific skills that underpin these qualities. Let us look at some of the characteristics of entrepreneurs.





ENTREPRENEURIAL SKILLS

PERSONAL SKILLS

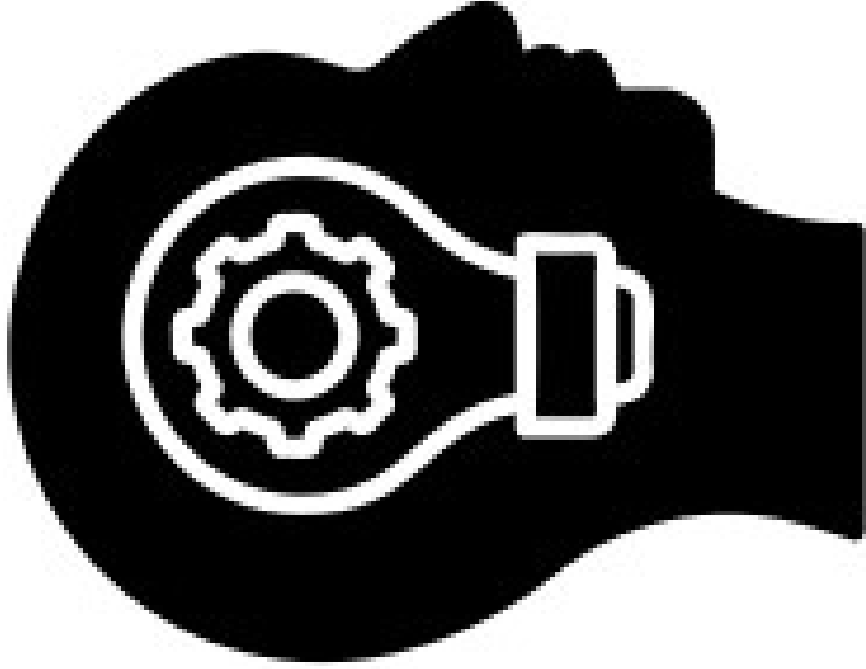
- Optimism: Are you an optimistic thinker?
- Vision
- Initiative
- Desire for Control
- Drive and Persistence
- Risk Tolerance
- Resilience

INTERPERSONAL SKILLS

As a successful entrepreneur, you'll have to interact with many different types of people – this is where it is critical to be able to build strong relationships with your team, customers, suppliers, investors, and more. Some people are more successful than others, but, fortunately, you can learn from their experiences and develop the interpersonal skills you will need to succeed.

- Leadership and Motivation
- Communication Skills and Listening
- Personal Relations
- Negotiation
- Ethics

THE ENTREPRENEURIAL PROCESS



Idea Generation

To generate an idea, the entrepreneurial process has three stages:

- **Germination:** This is like seeding process, not like more like the natural seeding. Most creative ideas come from an individual's interest or curiosity about a specific topic or study.
- **Preparation:** Once the seed of interest curiosity has been planted, of a focused idea, creative people start a search for solutions to problems. Inventors will go on for setting up laboratory, think of engineering new product ideas and develop consumer buying habits.
- **Incubation:** This is a stage where the entrepreneur allows the subconscious intellectualization. The sub-conscious mind will take unrelated ideas to find a resolution.



THE ENTREPRENEURIAL PROCESS

Feasibility study:

- Feasibility study is done to see if the idea can be commercially viable. It passes through two steps:
- **Illumination:** After the generation of idea, this is the stage when the idea is thought of as a realistic creation. The stage of idea blossoming is critical because ideas by themselves have no meaning.
- **Verification:** This is the last thing to verify the idea as realistic and useful for application. Verification is concerned about practicality to implement an idea and explore its usefulness to the society and the entrepreneur.



HOW DOES A **POTENTIAL ENTREPRENEUR** EVALUATE AN OPPORTUNITY?

Here are some important factors to consider when deciding whether a business opportunity is worth embracing:

Market Size - One of the most important factors when evaluating a business opportunity is market size. Do a little market research. Figure out if there is a market for the opportunity and how big that market is. Before you move forward, you want to be sure the demand is there.

Relationships - Does the business opportunity come with some relationships? What are your relationships with potential investors or customers? When you have more relationships, the opportunity is likely to run smoother.

Ability to Manage Cash Flow - Next, you need to look at the ability to manage cash flow. Is there start-up funding for the business? What about ways to keep funding the business each month.

Management Skillsets - What are Management. If you are evaluating opportunity, you need to be honest about to the table, and what addition to look u

Passion and Persistence - Even if there deficit, it's possible, in some cases, to ma passion and persistence. Are you working will get the job done? Do you trust th passion to make things happen?



2.0 - ORGANIZING YOUR COMPANY AND STAFFING REQUIREMENT

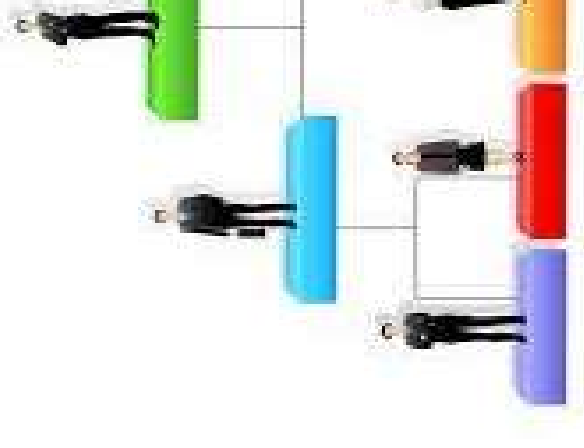
An organization is basically a group of people who collectively work to achieve common goals. Division of responsibilities under a ranking system is the backbone of any organization. Every organization comprises of people who run it. These people share common goals and objectives. In order to achieve them, these people also share roles and responsibilities with each other.





DEVELOPMENT OF AN ORGANIZATIONAL STRUCTURE

- **Clear Definition of Objectives:** Firstly, the main objectives of the organization must be clear. These objectives determine what kind of structures are required. A standard structure can never suit every kind of organization.
- **Identification and Grouping of Activities:** The next step here is to identify activities that members of the organization must perform. Since every business activity requires many tasks, clear identification of them is important.
- **Determination of the Structure:** After completing the first two steps, the organizers finally determine the overall structure. He defines the ranks and hierarchy in which people will function. Creation of departments also happens in this step.
- **Revision of the Structure:** Once the structure starts functioning, it can show up problems and shortcomings. For example, the marketing and sales departments often perform similar functions.





STAFFING IN AN ORGANIZATION

Staffing is the function by which managers build an organization through the recruitment, selection and development of individuals as capable employees. The staffing function of management consists of few interrelated activities such as planning of human resource, recruitment, selection, placement, training and development, remuneration, performance appraisal, promotion and transfers.

The process of Staffing is highlighted in t as follows-

- Manpower Planning
- Recruitment
- Selection
- Placement
- Training
- Development
- Appraisal
- Determination of Remuneration

3.0 - BUSINESS OWNERSHIP AND MANAGEMENT STRUCTURE

SOLE PROPRIETORSHIP

This is also known as one-man business; it entails the setting up of a business outfit exclusively by one person. One very disturbing thing about this type of business is that the owner bears the brunt in case of adversity, that is he is personally liable.

PARTNERSHIP

When a business is owned by two or more but not exceeding twenty, such association is called partnership. This is usually based on mutual agreement among them, and such agreement is contained in a document called “**Deed of Partnership**”.

LIMITED LIABILITY COMPANY

A limited liability company is a legal entity consisting of an association of many people who contribute capital with the law for the purpose of carrying on business. A company is an artificial and invisible person with no body. Also, it can sue individuals or organizations. A corporate name by individuals, group of individuals, or a company can be further divided into **Private and Public Companies**.

LEGAL REQUIREMENT FOR BUSINESS

Make sure you know the various federal, state, and local registrations that identify your Enterprise for legal purposes. You may need a Professional Help or a Law Attorney.

4.0 - DEVELOPING CORE VALUES, VISION AND MISSION



INTEGRITY



PASSION



LEADERSHIP



TEAMWORK

THE MISSION STATEMENT LEADS TO STRATEGIC GOALS.

➤ A **vision statement** is a statement of an organization's overarching aspirations of what it hopes to achieve or to become. The vision is a broad description of the value an organization provides. It is a visual image of what the organization is trying to produce or become. Vision statements should be clear and concise, usually not longer than a short paragraph.

➤ **The Mission Statement:** It defines how the organization will be different from other organizations in its industry. Here are examples of two mission statements from successful businesses: Examples!

E g: Adidas: We strive to be the global leader in the sporting goods industry with brands built on a passion for sports and a sporting lifestyle. **E g: Amazon:** We seek to be Earth's most customer-centric company for four primary customer sets: consumers, sellers, enterprises, and content creators.

The mission statement leads to goals.

➤ **Strategic goals** are the organization will try describing why, the organization where and how it will conduct its statement allows leadership to have a coherent set of goals that support the mission



ACHIEVING S.M.A.R.T GOALS

Typical Organizational Goals and Plans

- **Strategic Goals:** Broad statement of where the organization wants to be in the future;
- pertain to the organization rather than to specific divisions or departments.
- **Strategic Plans:** The action steps which an organization intends to attain its strategic goals.
- **Tactical Goals:** Goals that defines the outcomes that major divisions and departments
- must achieve for the organization to reach its over-all goals.
- **Tactical Plans:** Plans designed to help execute major strategic plans and to accomplish a specific part of the company's strategy.

- **Operational Goals:** Specific, measurable results for departments, work groups and individuals within the organization.
- **Operational Plans:** Plans developed at the operational level that specify action steps towards achieving the organization's goals and that supports tactical planning activities.



ACHIEVING S.M.A.R.T GOALS 1/2

Specific: Well defined, clear, and unambiguous

Few questions to consider to make your goal specific include:

- Who: Who is involved in this goal?
- What: What do we want to accomplish?
- Where: Where is this goal to be achieved?
- When do we want to achieve this goal?
- Why: Why do we want to achieve this goal?

Measurable:

With specific criteria that measure your progress towards the accomplishment of the goal. To make a goal measurable, ask yourself:

- How many/much?
- How do I know if I have reached my goal?
- What is my key performance indicator of progress?

Achievable: Attainable and not impossible to achieve. Do I have the resources and capabilities to achieve what am I missing? Have others done it successfully?

Realistic: Within reach, realistic, and relevant to your questions to consider: Does this goal seem worthwhile?

- Is this the right time? • Does this match our other goals?
- Is it relevant to me?
- Is it applicable in the current socio-economic environment?

Time-Bound: With a clearly defined timeline. The purpose is to create a sense of urgency.

Ask yourself: • Does my goal have a deadline? If not, when do I want to achieve it? • When do you want to achieve it? • What is the date and a target date? • when do you want to achieve it?



5.0 - PROCUREMENT PROCESS

Procurement refers to techniques, structured methods, and means used to streamline an organization's process and achieve desired results while saving cost, reducing time, and building win-win supplier relationships. Procurement can be direct, indirect, reactive, or proactive in nature.

What is a Procurement Process?

➤ It's the series of processes that are essential to get products or services from requisition to purchase order and invoice approval:

➤ **Process** - The list of rules that need to be followed while reviewing, ordering, obtaining, and paying for goods/services. Checkpoints/steps increase with the complexity of the purchase.

➤ **People** - These are stakeholders and their specific responsibility in the procurement cycle. They take care of initiating or authorizing every stage of the process. The number of stakeholders involved is directly proportional to the risk and value of the purchase.

➤ **Paperwork** - This refers to the paperwork and documentation involved in every stage of the procurement process flow, all of which are collected and stored for reference and auditing reasons.

- These are the important stages in the procurement flow:., Step 0: Needs Recognition
- Step 1: Purchase Requisition : Step 2: Requisition Approval
- Step 3: Budget Approval.:
- Step 4: Quotation Requests
- Step 5: Negotiation & Contract
- Step 6: Receive Goods/Services
- Step 7: Three-Way Matching
- Step 8: Invoice Approval Payment
- Step 9: Record Keeping



THE COMPETITIVE LANDSCAPE & BUSINESS ENVIRONMENT

The Competitive Landscape:

- **Technological Forces** - Failure to monitor and address the major technological innovations may adversely affect a firm's competitive edge, particularly if competing firms use technical improvement.
- **Demographic Forces** - These are trends in population characteristics such as age, ethnic makeup, education, family, and gender distribution. The changes in demographic factors can have a significant impact on an emerging business, particularly if they indicate the developing trends. Changes can affect demand for a company's product and Labour- for a company's ability to hire employees.

- **Global Forces** - Changes in the global environment offer tremendous opportunities and challenges for businesses. The importance of global markets has become more emphasized with the development of satellite communication and faster modes of transportation, leading to several overseas businesses and investments among countries.

RESOURCES

STAGE	MODULE	TOPIC
BEGINNER'S COURSES	MODULE 2	BUSINESS OWNERSHIP
RESOURCES FOR MODULE 2		
Exercise 1	What Role does Mission Statement and Vision Statement play in planning the company's strategy?	
Exercise 2	Discuss the steps a company's management take to motivate the staff for greater achievements?	
Exercise 3	Paper-driven procurement has a cascading effect on an organization's bottom line. Discuss with a m	
Exercise 4	Goal Setting Exercise 1. List all your goals for 2020. Be specific. How does the goals align to the over-all strategic organisations? 2. How do you plan to measure the goal? Is the goal achievable in 2020? If yes, why do you think so?	
Case Study 1	Two brothers opened a pastry, dividing the pastry and management side of the business between company has been in operation for 18 months and the pastry orders have increased and has profitable. The company is now considering opening additional 3 branches and has consulted you to guide the line of strategy to adopt and enter the new markets. Discuss your views about this proposal	

RESOURCES

The Power of Goal Setting by Brian Tracy

Once you have taken the time to decide exactly what you want, you will experience an endless flow of opportunities to move you in that direction. Example, a young woman worked in CDC Ltd Company as an executive secretary. She had a goal to be a successful real estate agent and investor. So, while she worked at CDC Ltd, she regularly took her real estate agent's license and to learn how to buy and sell real estate profitably. Over the course of a year she bought, fixed up and sold three houses. They made more money from their real estate transactions than they did at the end of the year, she passed the test and got her real estate agent's license.

Within a few days of getting her license, she and her husband were sitting in a small restaurant, and they got into a woman at the next table and it turned out that this woman was a very successful real estate agent who needed help to work with her and learn the real estate profession. They got along so well that the executive secretary was asked if she would be earning double what she could earn as a secretary. Few years later she was made the Chief Executive Officer of the real estate company and her positioning gave her unlimited potential.

The secretary did not wait for an opportunity to come to her. She set a goal, planned and went to work to create an opportunity when it arose.

Discuss with a mentor how you intend to position your organisations to achieve similar or bigger heights in your operation using the power of goal setting.

<http://www.entrepreneur.com>, <http://www.hongkiat.com>

O'Donovan, K. (2017, April 16). 20 Inspiring Vision Statement Examples (2017 Updated). Retrieved April 16, 2017, from **<http://www.lifehack.org/articles/work/20-sample-vision-statement-for-the-new-startup.html>** ↴

To read the extended lesson content! Please click the link below:

[Beginner Module 2- Business Ownership](#)

Case Study 2

Further Reading Link

THANK YOU!