

THE TEF BUSINESS MANAGEMENT TRAINING PROGRAMME

MODULE 1

STARTING **YOUR** BUSINESS

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STARTING YOUR BUSINESS

OVERVIEW

Lack of basic understanding of business principles before commencement are major causes of business failure. Starting your business module is a beginner's or foundational pack prepared to assist the entrepreneur understand the fundamental issues in starting a business and the major areas of attention and concentration by the entrepreneur to ensure a successful start-up and perhaps sustainability of the business.

MAIN OBJECTIVES

At the end of the training participants will be able to:

- Define an enterprise as part of the prepared business.
- Identify challenges confronting any business opportunities embedded in the business.
- Understand the competitive landscape, its environment and how to cope with the varying environment.
- Understand the fundamentals and principles of digital marketing channels to improve sales and revenue.
- Learn how to conducting Market Research and avoid Small Business Mistakes that could collapse a business.



1.0 - DEFINITION OF ENTREPRENEURSHIP

- Let us look at the **Definitions of Entrepreneurship**:
- Entrepreneurship is the process of creating something new with value by devoting the necessary time and effort, assuming the financial, social and psychological risks and receiving the resulting rewards of monetary and personal satisfaction and independence.

This definition emphasized four aspects of entrepreneurship thus:

- **The first** aspect; entrepreneurship involves the **creation process**. The creation must add value to the entrepreneur and value to the target audience or market for which it is developed.

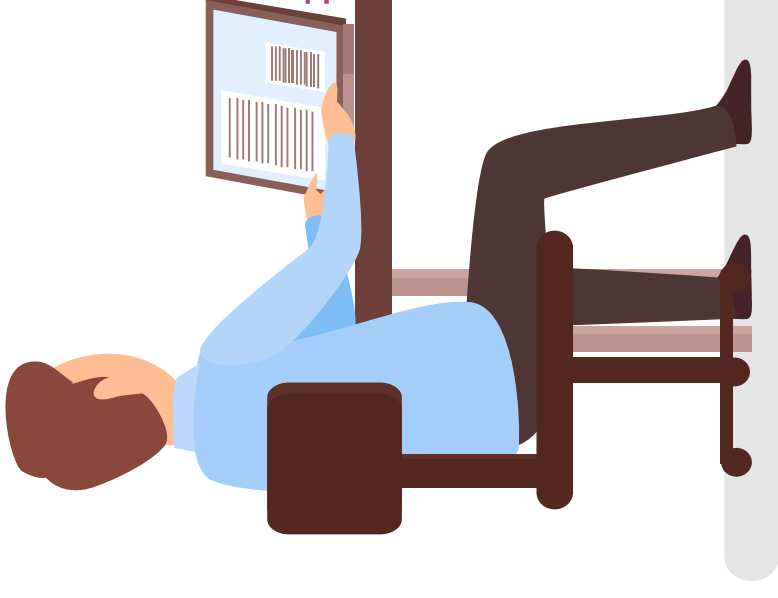
- **The second** aspect; entrepreneurship requires **time and efforts**. Time and efforts are the valuable assets in entrepreneurship and by the right way, you can help your business having to stretch yourself financially.
- **The third aspect** of this definition is the most important part of this **reward is independent personal satisfaction**. This reward could be profits for businesses or compliance entrepreneurs.



DEFINING YOUR **ENTERPRISE**

The **final aspect** of this definition is ability to assume the necessary risks.

Entrepreneurs must decide to act even in the face of uncertainty. Actions required to create value, new products, new services and new ventures, take time and efforts and the future is unknowable, hence action is inherently uncertain.





STARTING BUSINESS TIPS

- Identify Your Talents:
- Consult with Colleagues, Mentor, Friend, or Family
- Research and More Research
- Analyse Your Financial Situation
- Know Yourself
- Keep Records
- Discuss Lifestyle Change
- Find All Necessary Resources
- Knowledge-Economy and Attitude

Let us look at some other **Starting Business Tips** for a prospective entrepreneur which are:

- Identify your Talents
- Brainstorming.
- Analyze your resources
- Research





GENERATING BUSINESS IDEAS

How do you then generate business ideas?

- Let us examine few scenarios in idea generation capable of provoking some good thoughts for entrepreneurship:
- **Broaden your perspective-** Entrepreneurs look around them and ask 'what-if-questions'. Take note of what works and special notes of experiences you have with products and services. Seek out new experiences, new experiences generate ideas and ideas are the main drivers of entrepreneurship.

- **II. Pick Up on Market trend-** The world around every second, so an entrepreneur should tap and home lifestyle are changing, as they co and fresh opportunities.
- **III. Research New Markets, Niches and C** business, appropriating someone else idea in 'best practice sharing' or 'bench marketing'. do it all the time, copying an idea but trying idea better. You can find an idea that has wa country and transfer it home. An example is was founded in the USA, but now the business in many continents.



2.0 - IDENTIFYING PROBLEMS AND OPPORTUNITIES

Recognizing and overcoming the common pitfalls associated with growth is essential if your business is to continue to grow. You need to ensure that the step you take today do not themselves create additional problems for the future. As a business owner, you need to be able to identify different problems and opportunities demand different solutions.

COMMON CHALLENGES IN NEW BUSINESSES

- The following highlights some of the risks that most commonly affect growing businesses and outlines what you can do about them:
- **Keeping up with the market** - Market research is not something you do as a one-off when you launch your business. Business conditions change continually, so your market research should be continuous as well. Otherwise, you run the risk of making business decisions based on out-of-date information, which can lead to business failure.
- **Planning** - The plan you made a year ago might not be right for you now. Market conditions change, and you need to revisit and update your business plan.
- **Information sources** - Published information can provide insights into market conditions and trends. However, your own experience can be even more valuable. You need to be able to build up an in-depth picture of who your customers are, how they behave and which of your marketing options are most effective.



COMMON CHALLENGES IN NEW BUSINESSES

- **Cash flow and financial management** - Good cash flow control is important for any business. For a growing business, it is crucial.
- **Problem solving** - New businesses often run-in perpetual crisis mode. Every day brings new challenges that urgently need resolving and management spends most of their time trouble shooting.

- **Skills and attitudes** - The abilities that can help business are not the same as those you need. The chances are that you will need training to and attitudes required by someone who is leader.



COMMON CHALLENGES IN NEW BUSINESSES

- **Welcoming change** - Complacency can be a major threat to a growing business. If you will continue to be successful simply because you have been in the past is very unwise. Regularly revisiting and updating your business plan can help remind you of the changing market conditions and the need to respond to them.
- **The right systems** - All businesses produce and rely on large volumes of information - financial records, interactions with customers and other business contacts, employee details, regulatory requirements and so on. It is too much to keep track of - let alone use effectively - without putting the right systems in place.



Seize the Opportunity



3.0 - UNDERSTANDING **THE COMPETITIVE LANDSCAPE** & BUSINESS ENVIRONMENT

DO YOU KNOW THAT?



- Every business is affected by the competition and the environment in which it operates, therefore understanding the firm's competitive landscape and environment is an important step in the planning process.



- Developing a comprehensive awareness of the business environment based environmental forces will help identify any external factors that may impact the future of your organization.



THE THREE “W”

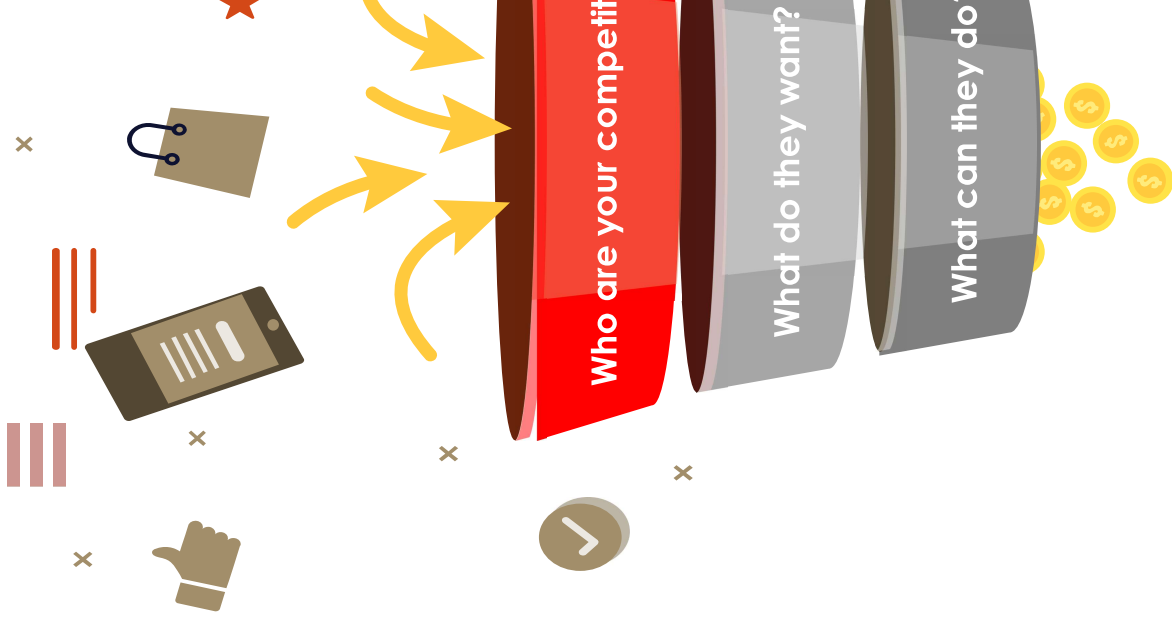
The Competitive Landscape:

There are a few questions that will help you analyze your competitors. You should treasure tough competitors because they help you stay on your toes all the time.

Who are your competitors? A competitor is anyone or organization that can satisfy the needs of your customers now or in the future.

What do the competitors want? What competitors want depend on their business objectives which could be short term or long-term profits goals

What can competitors do? They will consistently try to offer better customer service, product quality and marketing.



THE COMPETITIVE LANDSCAPE & BUSINESS ENVIRONMENT

The **Competitive** Landscape 1/1

Economic Forces - Economic projections are important in entrepreneurship, as they affect your business, your industry, your suppliers and your customers. Consider the impact of economic conditions over the period due to the Coronavirus pandemic. Businesses are battling with lost revenue and disrupted supply chains as factories shutdowns and quarantine measures spread across the globe, restricting movement and commerce.

Governmental Factor - An entrepreneur should be aware of changes in Government policies and regulations, Legal decisions can affect their business. An example, is that a country has recently increase import and export tax, as well as the increase from 5% to 7.5%. These changes can occur at the Federal or State Government levels. If similar occurrences are with other countries, how would you be able to keep your business profitable without negative consequences.

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 the characteristics such as age, ethnic origin, family, and gender distribution. Demographic factors can have a significant impact on an emerging business, particularly in developing trends. Changes can affect a company's product and Labour- force to hire employees.



Global Forces - Changes in the global environment offer tremendous opportunities and pose threats for businesses. The importance of accessing global markets has become more emphasized as a result of the development of satellite communication, cheaper and faster modes of transportation and privatization of several overseas businesses and economic alliances among countries.



4.0 – MARKETING FUNDAMENTALS AND PRINCIPLES

MARKETING CONCEPT

There are four marketing concepts that companies will utilize in their marketing objectives. All of these aims to achieve profits and objectives, but the focus and means by which they do so will differ. They will typically follow one of these four major concepts:

- **Product Concept** - This management orientation says that if you build a quality product and set a reasonable price, very little marketing effort is needed to sell it. The product generates the demand "build it, and they will come"
- **Selling Concept** - This management orientation says that consumers will not normally buy enough of a product unless it is aggressively promoted to them.

- **Marketing Concept** - This management major purpose of an organization is to identify and then adapt the organization in a way that meets customers' needs more effectively than its competitors.
- **Societal Concept** - This management orientation says that satisfying consumers' needs and desires is a primary concern for societal welfare in order to achieve the organization's objectives and attend to its responsibilities to society. It seeks to find a balance between social welfare and company profits.



MARKETING MIX

There are four marketing mix variables that are associated with a product. These must be taken into consideration when making any decisions regarding marketing activities. These are often known as the "**Four P's**" in marketing. They are:

➤ **Product** - This variable described all factors relating to the actual product visible to the consumer. These may include things such as quality, features, options, style, packaging, brand, sizes, labels, variety, and warranties.

➤ **Promotion** - Promotion is all efforts by a company to make publicize a product and make the consumer aware of it. Efforts might include advertising, personal selling, sales, public relations, or internet activities.

➤ **Price** - The price variable includes not only other pricing factors associated with a product discounts, allowances, payment options and terms.

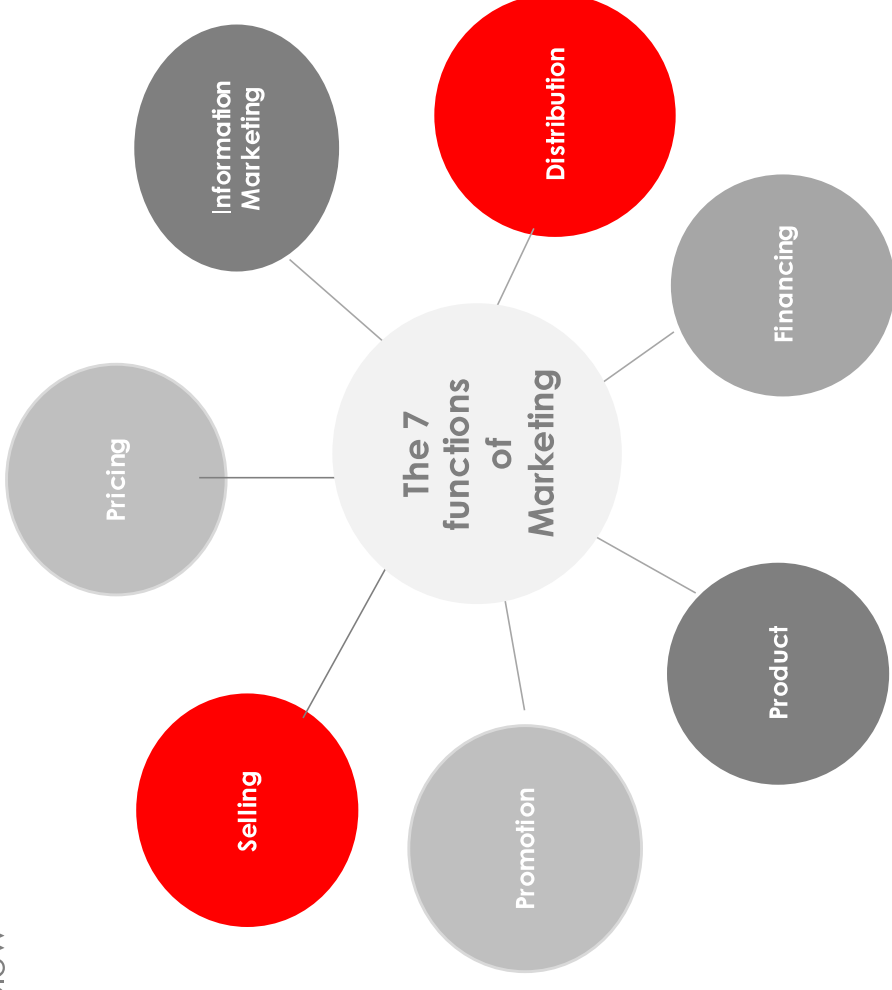
➤ **Place** - Place deals with all distribution and product. How and what are the products available. These may include assortments, channels, locations, and inventories.



MARKETING FUNCTIONS MARKETING MANAGEMENT

The marketing process performs certain activities as the goods and services move from the producer to the consumer. All these activities or jobs are not performed by a single firm, but by different organization that constitute the entire marketing chain. The major activities are listed below

- Selling
- Buying and Assembling
- Transportation
- Storage
- Standardization and Grading
- Financing
- Risk Taking
- Market Information



CONCEPT OF MARKETING MIX, **SEGMENTS**, **PENETRATION** & POSITIONING

Today, Segmentation, Targeting, and Positioning (STP) is a familiar strategic approach in Modern Marketing. It is one of the most applied marketing models in practice.

The STP model is useful when creating marketing communications plans since it helps marketers to prioritize propositions and then develop and deliver personalized and relevant messages to engage with different audiences.

This is an audience rather than a product-focused approach to communications which helps deliver more relevant messages to commercially appealing audiences. The diagram below shows how plans can have the flow from **Audience options** > **Audience selection** > **Production positioning**.

Marketing Segmentation:

- Identify bases for
- Determine important each market.

Product Positioning

Develop detailed product positioning selected segments
Develop a marketing mix for each selected segment.

Market Target

Evaluate Potential and Commercial attractiveness of each segments
Select one or more segments

CONCEPT OF **MARKETING MIX, SEGMENTS**, PENETRATION & POSITIONING

Product positioning- is the point in the segmentation process where the marketer creates the product offering in a way that hits the consumers mind and separates the offering from competition



Determine Current
brand positioning



Determine your
competition



Identify your unique
selling proposition



Create a brand
positioning statement

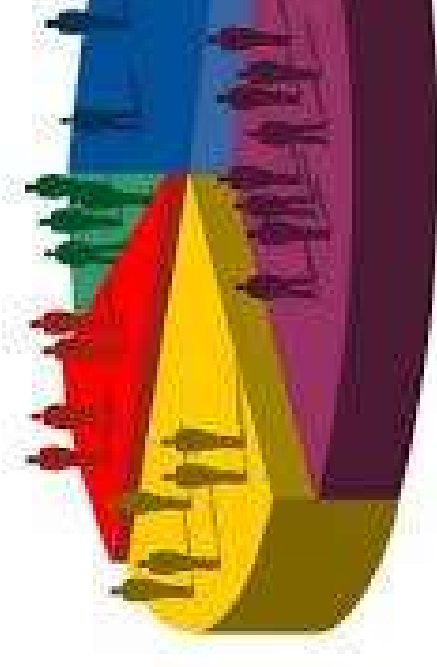


Test your brand
positioning statement



TARGET AND MARKET SEGMENTATION

- **Target market** is the group or groups of customers for which the marketer will direct attention. This group is determined after thorough segmentation and analysis of the market.
- **Market segmentation** is the act of subdividing the market into a group or groups of people who have similar needs within the group, but dissimilar needs across the groups. An example would be people wanting cars, but different types of cars. The different types of cars may be luxury, sports, or SUV's.





CONDUCTING MARKET RESEARCH AND INTELLIGENCE

Marketing research is the process of collecting, analyzing, and reporting marketing information that can be used to answer these questions or solve problems to improve a company's bottom line. It can help many discover the basic and intriguing tasks needed to help you succeed in your business endeavor

.The following tasks can be undertaken and resolved.

- Developing product ideas and designs
- Determining if there is a demand for your product
- Identifying market segments for your product
- Making pricing decisions
- Evaluating packaging types
- Evaluating in-store promotions
- Measuring the satisfaction of your customers
- Measuring the satisfaction of your channel partners
- Evaluating the effectiveness of your Web site
- Making marketing channel decisions



HOW CAN **EFFECTIVE RESEARCH GROW** YOUR BUSINESS ? 1/1

The following are four reasons effective research can help your business:



- **Market Research Focuses the Business on the Customer** - In short, market research is the process of analyzing the market, product, or service. And the most obvious ability to help you understand your customer. Who do they want? What do they expect? Once you understand your customer's needs, you will be able to tailor your business to them.

- **It Grows Your Business** - All small business owners want to grow their company—but many are unsure where to begin. Research is your best tool for any type of product development, launch, or business expansion.
- **It Helps Understand Your Competition** - Knowing your competitors and what they offer can help make your products, services stand out. Sure, research enables you to set your prices, but it also helps you learn from your competition—and do better.



HOW CAN EFFECTIVE RESEARCH GROW YOUR BUSINESS? 1/2

➤ **It Enables You to Test for Success** - Need help judging whether a new product or service will connect with your customer? Research is the most effective way to test out ideas before you decide to go full-throttle with them. Through metrics, small business owners are able to see which concepts, campaigns and messaging are resonating best with target customers

➤ **It Ensures Your Relevance** - In order to remain successful, all businesses need to anticipate and react to change in order to stay relevance. By researching the evolving needs of consumers, and analyzing your competition's reactions, you are securing longevity and relevance in the market. Market research allows business owners to stay innovative and successful—and change with the times.





MARKETING IN DIGITAL AGE

Digital marketing, also known as online marketing, is an umbrella term for all marketing and engagement activities across media channels. The role of digital marketing is to help you get found, get noticed, get leads, and then turn those leads into customers.

- The following are the digital marketing channels and strategies which every organization should learn and adopt and adapt;
- Websites (Content Marketing), Email Marketing, Social Media, Organic Search (SEO), Display Ads , Mobile Marketing, Affiliate Marketing, Pay-Per, Click (PPC) Advertising, Instant Messaging Marketing.



TRENDS IN DIGITAL AGE

Trends to Consider:

The average consumer is exposed to about 10,000 digital ads every day.

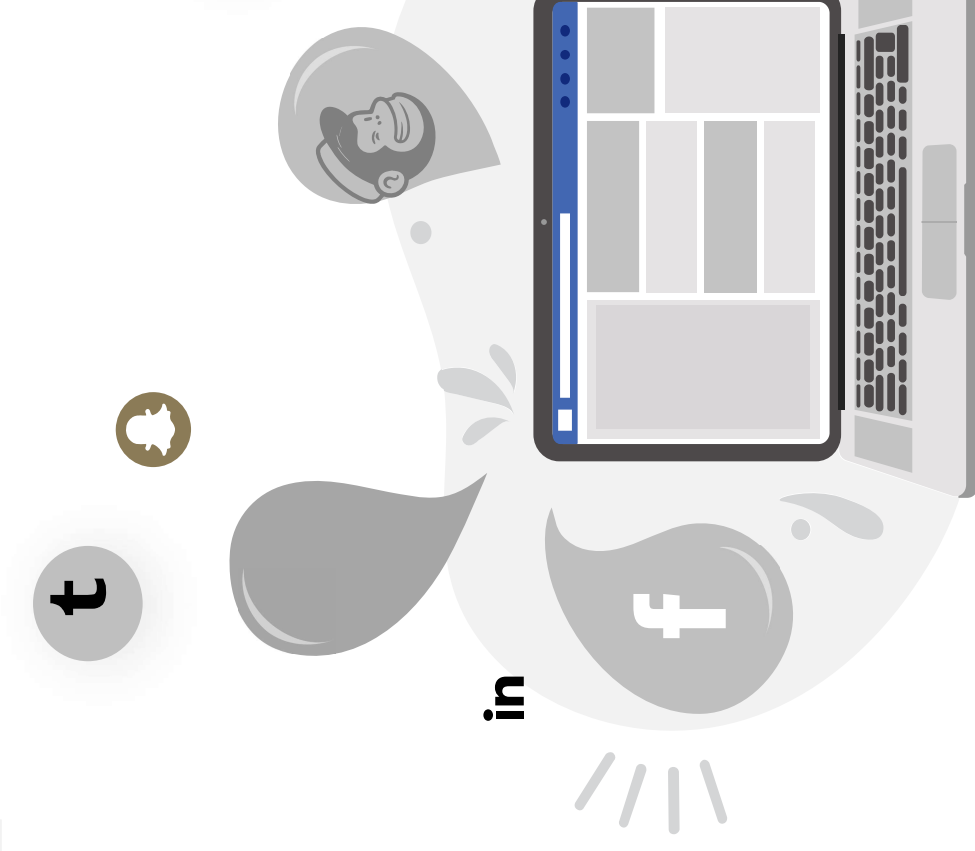
- Many consumers look at a company's website before purchasing a service provider or product.
- At any given time, consumers are shopping for products and services online.
- Many people go online to find products and services.
- Many online experiences begin with a search engine.
- Many consumers trust online reviews as much as personal recommendations and people look up the location of businesses on Google Maps.
- One of the fundamentals of marketing and advertising in the digital age is where your target audience is.



IMPACT OF SOCIAL MEDIA ON MARKETING (SMM)

An Overview

- Social media are channels for reaching out to customers. Most businesses employ the use of social media in reaching out to their customers, clients and partners due to its possibility of wider reach.
- A growing business must leverage on it to sell its products to the wider market. One of the favorable arguments for the use social media over the use of basic, traditional communication media lies in its ability to measure the reach it covers and reach prospects widely. An advertisement ran on Facebook, for instance, gives insights on the number of engagements, conversions and general insight. One can hardly tell the number of TVs switched-on listening to an Ad.





6.0 - BECOMING A SUCCESSFUL START-UP

We reiterate that regardless of the motive of becoming an entrepreneur, a serious and sound minded entrepreneur must possess and exhibit the following **traits**.

- *Passionate and unrelenting focus*
- *Firmness*
- *Time Consciousness*
- *Relationship*
- *Patience and Consistency*
- *Confidence and Resolute*
- *Perseverance*
- *Considerate*
- *Compliance with Regulatory Authorities.*

SMALL BUSINESS MISTAKES

The major small business mistakes are:

- Holding on to an idea for too long
- No business and marketing plans
- Not Knowing Your Customer
- Ignoring Your Cash Position
- Not Caring About Employees
- Confusing Likelihood with Reality
- Giving-Up
- No Sales Budget Plan
- Doing It Alone
- Having No Back-Up or Mentor
- Over Trading



RESOURCES

STAGE	MODULE	TOPIC
BEGINNER'S COURSES	MODULE 1	STARTING YOUR BUSINESS
RESOURCES FOR MODULE 1		
Exercise 1	Explain the factors that influenced your decision to become an entrepreneur?	
Exercise 2	Take a critical look and consider the environmental and competitive landscape of you with a mentor that dream business proposal you will consider profitable to venture into.	
Exercise 3	Give a comprehensive analysis of a business venture you have understudied over the operational methodologies and successes appeals to you to the extent that you are coming into same business. Discuss step by step what you need to do to succeed in that same business.	
Exercise 4	Explain the factors that influenced your decision to become an entrepreneur?	
Exercise 5	A certain Government recently increase Value Added Tax (VAT) from 5% to 8%. This is an economic, as well as government policy. These changes are to be implemented at the Local Government levels. If similar occurrences are witnessed in your country, how would you take advantage of the policy and keep your business running without any serious negative consequences?	

RESOURCES

Case Study 1	<p>A case study of two same business line operating in same regulatory and environmental landscape v degrees of success. Further investigation revealed that Company A complied with all regulatory iss analysis on some of the challenges major businesses in same sector are facing and, in the end, it was reve A discovered some hidden opportunities amidst the challenges and quickly implemented. Company pressure group to challenge the unfavorable business regulatory environment which took a long time to authorities before Company A regained its profit status –</p> <p>As a business owner faced with similar challenge in your country or region; what step would you have tak</p> <p>Entering a rapidly growing market where there is little competition is always very attractive and full of cha demand for the product, or the service and the company constantly make good profits until the con when this happens, defend your view on how the company can maintain its profit level using any on underlisted parameters?</p> <ol style="list-style-type: none"> 1. By adopting a more aggressive marketing strategy? 2. By lowering prices? By expanding? 3. By having a reliable brand name? Which is the most important of all these? <p>http://www.csmonitor.com/2002/0702/p18s03-hfks.html, www.intercom.com/blog/videos/marketing</p> <p>done</p> <p>http://www.ksgcase.harvard.edu/content/about the case study</p> <p>http://referenser.appt.no/volkswagen/roulette, http://wearesocial.net/beanzforgrownupz</p> <p>To read the extended lesson content! Please click the link below</p> <p>Beginners Module 1- Starting your Business</p>
Case Study 2	
Further Reading Link	



THANK YOU!