



What Is This Module About?

Tell me quickly- do you want to have a big house, a new car or new appliances? Many people would probably say yes to all three. It's easy. People have dreams of achieving the things they want in life. In the beginning, you may not have “expensive” big dreams. You can start with a small dream, like earning a little extra for yourself and your family. How can you achieve these dreams? There are many ways. Starting your own business is one of them. Yes! You can be an entrepreneur. An entrepreneur is somebody who starts and manages his/her own business. And as your small business grows, you can include bigger dreams to replace the “small” ones you had from the start.

In this module, you will study the qualities or marks of successful businessman/businesswoman. You will learn the characteristics that set successful entrepreneurs apart from those who are not. Do you want your dreams fulfilled? Then this module is for you!

This module is composed of three lessons.

Lesson 1 – *Starting Your Own Business*

Lesson 2 – *Making Your Business Grow*

Lesson 3 – *Planning for the Future*



What Will You Learn from This Module?

After studying this module, you should be able to:

- ◆ describe the marks of a successful entrepreneur such as perceiving opportunities in an environment, taking risks, mobilizing capital for business, introducing innovations, and organizing labor and production;
- ◆ make sound business-related decisions;
- ◆ plan ahead/set goals;
- ◆ sell products at a profit; and
- ◆ evaluate the feasibility of entrepreneurial opportunities in a community.



Let's See What You Already Know?

Before studying this module, take this simple test to determine what you already know about the topics covered.

A. Place a check mark on the characteristics of a successful entrepreneur

- _____ 1. Can perceive opportunities for business in his/her community
- _____ 2. Does not believe future business plans are necessary
- _____ 3. Takes risks
- _____ 4. Has more losses than profits
- _____ 5. Introduces innovations or improvements
- _____ 6. Organizes labor and production
- _____ 7. Slow in making business-related decisions
- _____ 8. Manages finances well
- _____ 9. Does not personally take care of his/her business
- _____ 10. Is not bothered by competition

B. A student wants to start a small business in school. Write down six items that he/she can sell in school at a profit.

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____

- C. Ana sells ice candy during summer at P1.00 each. One day she found out that her neighbor, Carla, also started selling ice candy at 75 centavos each. If you were Ana, what would you do? Place a check mark on your options below.

- _____ 1. Stop selling ice candy
- _____ 2. Lower your price to 75 centavos each
- _____ 3. Advertise
- _____ 4. Make bigger ice candies
- _____ 5. Accuse Carla of unfair competition
- _____ 6. Make more delicious ice candies
- _____ 7. Offer a free ice candy for every 6 ice candies bought
- _____ 8. Be angry about the competition

Well, how was it? Do you think you fared well? Compare your answers with those in the *Answer Key* on page 33 to find out.

If all your answers are correct, very good! This shows that you already know much about the topic. You may still study the module to review what you already know. Who knows, you might learn a few more new things as well.

If you get a low score, don't feel bad. This only means this module is for you. It will help you understand some important concepts that you can apply in your daily life. If you study this module carefully, you will learn the answers to all the items in the test and a lot more! Are you ready?

You may go now to the next page to begin Lesson 1.

Starting Your Own Business

Do you know what a business is? A business is an activity that aims to sell goods or services to customers for a profit. Many people in business become rich. You may have heard about some of them and how they went from rags to riches. You can't help but be impressed by these people who seem to be very successful. Have you ever wondered how they started? Everything and everyone starts out small before becoming big. You can be successful in business too, but you have to start somewhere. This lesson shall help you with that first step.

After studying this lesson, you should be able to:

- ◆ discuss the importance of having a “dream” in business;
- ◆ identify business opportunities in an environment;
- ◆ mobilize capital for business;
- ◆ organize labor and production; and
- ◆ evaluate the feasibility of entrepreneurial opportunities in the community.



Let's Think About This

Do you know anybody in your community who has been successful in his/her business? What are his/her qualities that strike you? Do you think these qualities helped him/her in achieving his/her business goals?



Let's Read

Everything Starts With a Dream

Starting a business on your own is not easy. It may even scare some people. It involves taking risks and making important decisions. Some would even say that going into business is like gambling. You are not sure whether you will win or lose in the end. But success is not achieved by just sitting down. You have to do something about it! Starting a business requires that you have “dreams” for yourself; that you want to be successful, too, in the future. Read the passage on the next page.

I heard of a young man in Thailand who started his business with a dream. He dreamed that through his business, he might be able to buy his first ever Levi's 501 jeans, an expensive brand. Yes! He started his business with a dream to buy an imported pair of *maong* pants. Six years later, he was a millionaire.

He bought his Levi's 501 jeans years ago. He now has other dreams that push him to attain greater heights in his business. His dreams include a castle-like house, a Lear jet, a speed boat or something in that league.

It is easier for a younger folks to dream. Older people above 30 find it difficult to dream because many have been scarred by broken, unfulfilled dreams. They become cynical and trash their dreams when they were younger under the bed.

adapted from p, 13
Be Smart, Start and Manage Your Own Business
By: Marlo Sanchez
Pinoybisnes Resource Center
Manila, Philippines

Were you inspired to start your own business after reading the above passage? That's good! An important mark of a successful businessman is that he is a dreamer. He has hopes and wishes for himself and his family that he wants to achieve.

How about you? What are your dreams? What do you want to have in the future? Write five of them below. You may start your answer with the phrase...*I want*.

1. _____
2. _____
3. _____
4. _____
5. _____

Were you able to write down five of your dreams or ambitions? If you did, that's good! Everybody has a dream or goal in life. Knowing these dreams would inspire you to achieve them in the future. Do not forget your dreams. They may be "small" now but you can make them bigger later on as your business grows! You may want to show your dreams to your Instructional Manager for further discussion.



Let's Try This

Ask a friend to also make a list of his/her dreams and wishes. Are your answers similar? Why do you think so? If some of the things she wants to achieve in life are not the same as yours, what do you think about this?

People may have different dreams. A lot may have the same dreams in life like having a car, a nice house, a good job and a happy family. These dreams and wishes come from our experiences which are uniquely our own.



Let's Think About This

Looking for Business Opportunities

Now that you have identified your dream, start working on how to achieve it. Being an entrepreneur- somebody who starts and manages his/her own business, is one way to achieve it. Now, where do you start.? If you have decided that you want to start a business, it is best that you look for opportunities in your community. A basic question to answer is:” What does my community need/want that I can sell at a profit?”.

For example, during summer, people feel very warm. What would they need that you can sell at a profit? Write three of them below.

1. _____
2. _____
3. _____

When it is warm, people would naturally feel thirsty. That would be a good opportunity to sell cold drinks such as *sago't gulaman*, fruit juices, shakes, *halo-halo*, ice cream or even just plain ice!

How about, during the cold season? What can you sell at a profit? Write three of them below.

1. _____
2. _____
3. _____

A hot *salabat* or chocolate drink would be most welcome during cold December nights. In fact, many people sell *salabat* and warm food like *bibingka* and *puto bumbong* to the people who attend dawn masses or *simbang gabi* in the Philippines. People who ventured in this business make a lot of profit.

Aside from opportunity provided by the weather or climate of the place where you want to put up a business, what other factors should you consider?

Another opportunity to consider aside from the weather would be location. If your house is near a school, what do you think you can sell?

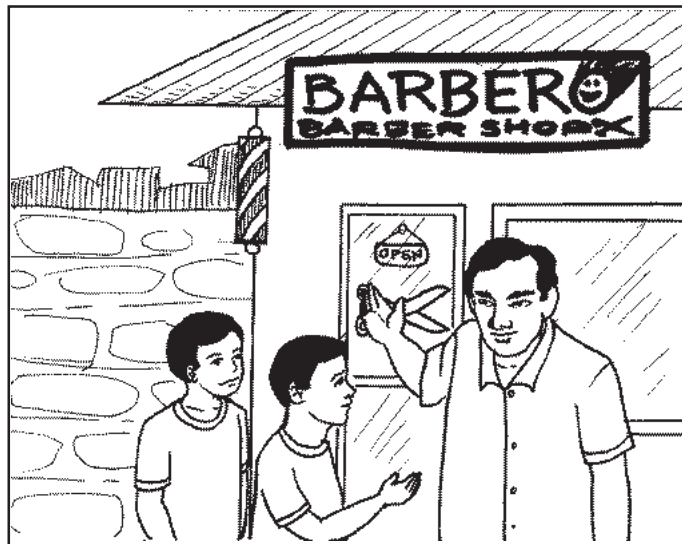
Write three of them below.

1. _____
2. _____
3. _____

Of course, you can sell foodstuff to students like sandwiches or juices. Food is a basic human need and presents a good business opportunity. Since, your home is near a school, you can sell school materials such as pencils, paper, pens, erases and envelopes.

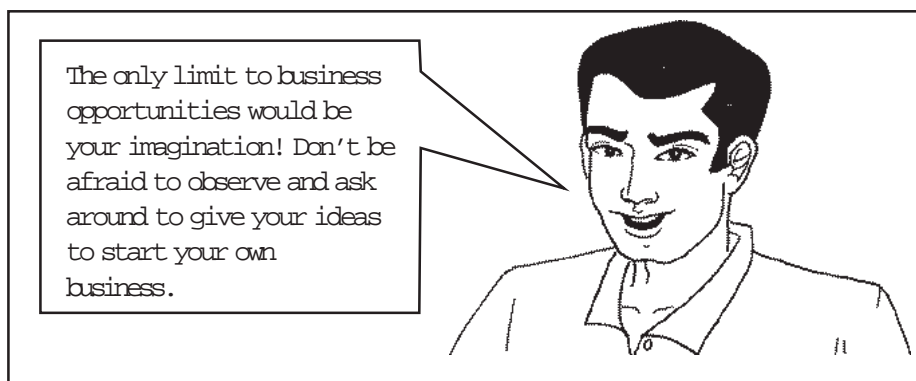
Notice that as of this point, you based your decision on what to sell on your own experience. Although this is good, you can also get information about business opportunities by observing others who already put up their businesses in your community. You can also ask around to find out what would sell most.

Also, remember that businesses do not only sell things. You can also provide services for a fee. For example, if you know how to cut hair, then, you can put up a small barbershop or beauty parlor right in your own home. If you can type well and have your own typewriter or computer, you can accept typing jobs for school projects for a fee.



What services do you think you can provide for a fee based on your skills? Write three of them below.

1. _____
2. _____
3. _____





Let's Try This

Interview an entrepreneur whose business is near your home. Ask him/her what gave him/her the idea to start the business and how he/she started it. You can take down notes so you don't forget his/her answers.

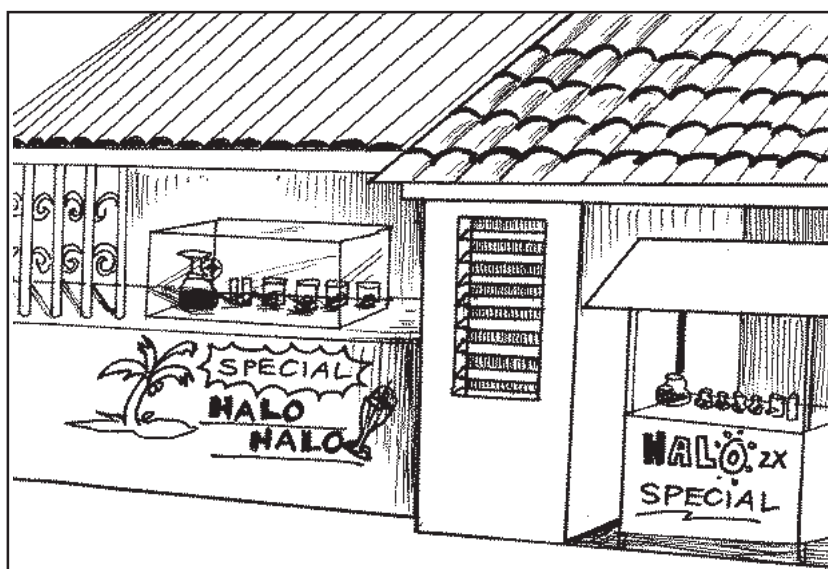
Have you now decided what goods or services to sell in your community based on your observations and inquiries? If you have, then it is time for you to assess the possibility of your business to succeed if ever you decide to start one. This is called **evaluating the feasibility of entrepreneurial opportunities in the community**. Feasibility means possibility, doability or chances of success.



Let's Review

Ana decided to sell halo-halo during summer. She already has plans where to get the money to start her business.

Ana lives in this neighborhood.



Let's Try This

1. Do you think Ana's chances of being successful in her halo-halo business is positive? _____
2. Why? _____
3. If Ana decides to start a halo-halo business, what would you suggest she does? _____

Compare your answers with the ones below.

1. Ana's chances of succeeding in her *halo-halo* business is not very high.
2. There are already four other halo-halo stands near her home, where she plans to start her business. She would be facing stiff competition.
3. She could make her *halo-halo* less expensive than the others. She can innovate by adding something extra, like a free *puto* or cookies for every halo-halo ordered. She can also make promotional efforts like advertising or giving free halo-halo for every 5 orders. This may motivate her customers to visit her store always. However, I would also suggest that she sell something else, aside from halo-halo. She can sell other cold food like mongo *con hielito*, ice cream, ice candy or fruit shakes. That would offer customers something new and increase her chances of success.

Based on what you learned from Ana's case, list at least 6 guide questions you can ask to evaluate the feasibility or the possibility of an entrepreneurial business in a community in the spaces below.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Compare your answers with those in the *Answer Key* found on page 33. Which of the guide questions don't you have? Copy them so that you will remember them better.

Study these guidelines carefully. You can use them to evaluate the chances of success of your business in the future. Of course, other questions or guidelines are possible. It all depends on what your business is and the unique conditions in the community where you plan to start your business.



Let's Study and Analyze This

Mobilizing Capital For Business

Instead of a halo-halo business, Ana decided to sell fruit shakes after evaluating her chances of success. What would be the first thing that Ana needs to have before she could start her business? If you answered that she would need capital, you are correct!

Capital refers to the money you need to put up the business.

Do you know what Ana has to buy using her capital to start her halo-halo business? Write them down.

Show your answer to your Instructional Manager for feedback.

To start a halo-halo business, Ana would need money to buy an electric blender, an ice chest, tall glasses, spoons, tables and chairs. Of course, she needs to buy her daily needs or consumables such as fruits, sugar, ice and even soap to wash the utensils. Also, she has to set aside money to pay for water and electricity bills. All of these make up what is called **capital expense**.



Now that you know what capital is, can you think of the capital expenses (the things needed to be bought before the business starts) for a barber shop? Write at least six in the space provided below.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

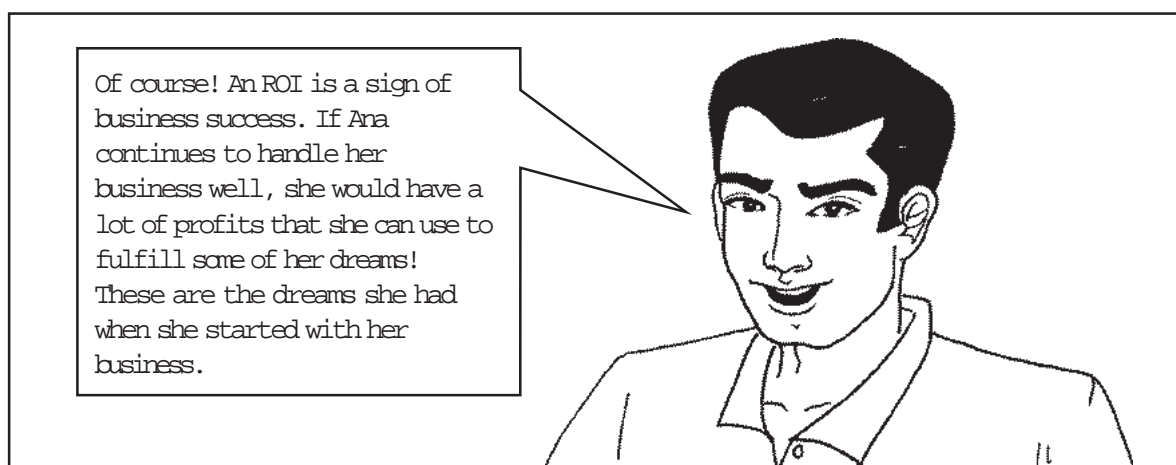
Compare your answers with those in the Answer Key found on page 34. Are they similar? If they are, you now understand what capital means.

Mobilizing capital for business means actually coming up with the “seed money” to start a business. Like plants that would bear fruit later on (profits), a business cannot start unless a seed (capital) is planted. This already means taking risks on the part of the entrepreneur. There is a possibility that his capital will not grow or even be lost. Again, like a seed, it needs proper care in order to grow abundantly. A businessman takes care of his business like a farmer takes care of his plants.



A way to find out if a business is successful is to check if the profits made over time have already exceeded the **initial capital outlay or capital expense**. For example, if Ana made profits of ₱1,000 every week and her initial capital was ₱5,000, how many weeks would it take before her initial capital is recovered or “regained”? If you answered five weeks, you are correct!

In five weeks time, and if everything turned out as she expected, Ana’s fruit shake business would have what is called Return of Investment (ROI). The profits after that would entirely be hers and she could give back to her mother the amount of ₱5,000 she borrowed as capital. If this happens, would Ana’s business be successful?





Let's Read

Organizing Labor and Production

A business usually requires team effort. It is hard to put up, manage and run your business all by yourself. You need people to help you run the business, people you can trust. For example, if you plan to put up a restaurant, what personnel would you need? Write at least four in the space provided below.

1. _____
2. _____
3. _____
4. _____

If you answered waiter, cook, dish washer, cashier, janitor and security guard, you are correct!. These are the personnel or people that you would need to run a restaurant business. Each one has a valuable role to play to make the business successful. The bigger the business becomes, the more personnel you would need. Some big companies like factories or production plants employ thousands of personnel.

The people involved in a business are collectively called labor. These people have to be paid and given benefits as required by law. The cost of labor must be subtracted when computing for profits.

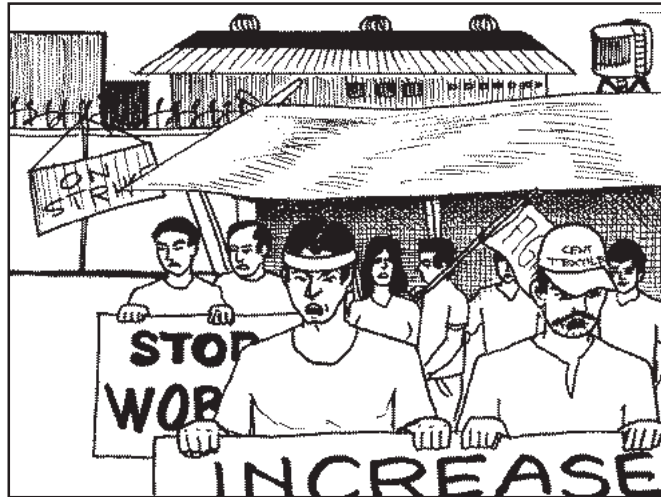
Production refers to the flow of activities in a business. Each personnel has a specific task to do. In a restaurant business, write down the task of the following personnel:

Personnel	Task
Cook	_____
Janitor	_____
Waiter	_____
Manager	_____

In a restaurant, the cook prepares the food, the waiters bring it to the diners and the cashier takes care of payments. A manager is expected to see to it that the personnel do their work and makes sure that the business is running smoothly.

In a business, **labor and production must be organized**. This means that people must be assigned to do specific tasks and know how these tasks are related to each other. A successful entrepreneur knows how to effectively organize labor and production. Effective management of labor and production contribute to the successful operationalization of a business.

Do you know what a **labor strike is**? When employees (labor) are not contented with their salaries or benefits or have other problems with management, they can file a **notice of strike**. This means that the employees are going to stop working until their demands are met. Some even put up barricades or picket lines to prevent people from the management to enter the business premises.



Let's Think About This

Imagine that you are the owner of a garments factory. Suppose that your employees go on labor strike. What effects would this have on your business?

Imagine, too, that you are one of those employees who went on strike because of unfair labor practices. How would this affect you?

Management and labor must always come to an agreement. In a strike, both parties lose. The owners of the business could suffer heavy losses because production is temporarily stopped. The employees too, have no income while they are on strike. A good businessman looks after the well being of his/her employees and gives them their benefits as required by law.

An entrepreneur has a lot of responsibilities. He/she does not look only after himself/herself but also after his/her business and the people who work for him/her.



For her fruit shake business, Ana recruited her two sisters, Maritess and Marissa. Before their opening day, they had a meeting.

Panel 1: Ana and Maritess are talking. Maritess says, "I'm so excited, Ate Ana. I can't wait to start selling fruit shakes tomorrow!" Ana replies, "Me, too. And I look forward to earning something extra this summer. (grins)".

Panel 2: Ana is addressing both sisters. She says, "Calm down, girls. We have to talk about the business first. I want to assign you specific tasks so you know your job tomorrow." Marissa asks, "What will I do, Ate Ana?"

Panel 3: Ana is giving detailed instructions. She says to Maritess, "Maritess, I want you to be in charge of preparing the fruit shakes. You will prepare a fruit shake only after a customer has paid for it. You have to wait for my signal for that. Marissa, you will be in charge of cleaning up. You will wash the spoons and glasses after use and make sure, too, that the tables and the counters are clean." Marissa responds, "That's easy."

Panel 4: Ana is assigning the final task. She says, "For myself, I will be the cashier. I will collect payments from our customers and give them their change. I will tell you when to prepare a shake. I will also be in charge of supplies. I have to make sure that we have everything we need before business starts each day. Are our tasks clear? Remember we are a team and we need to work together to make this business a success." Maritess and Marissa both agree, saying, "Of course, Ate. You are the boss!"

Did Ana show skills in organizing labor and production? What made you say so? Compare your answers with the Answer Key found on page 34.

Starting a business is not easy. If you have started one, you have planted a seed that, with constant care, could grow and bear fruit later on. Are you now ready to start your own business? Good luck!



Let's Try This

- A. These are the activities one must do before starting a business. Can you arrange them in proper order? Write numbers 1 to 4 in the space before each item to show the order.

- _____ Evaluate the feasibility of entrepreneurial business opportunities in a community.
- _____ Mobilize capital for business.
- _____ Organize labor and production.
- _____ Perceive or easily see opportunities for business in the community

- B. Give six examples of the needed capital expenses to start a sari-sari store.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

- C. What is ROI or return of investment?

Compare your answers with those found in the *Answer Key* on page 34. Did you get all items correct? That's good if you did! You may proceed to the next page.



Let's Remember

- ◆ An entrepreneur is somebody who starts, manages and runs a business.
- ◆ Dreams are important. These are the goals and wishes that we want to fulfill in life. Dreams inspire us to achieve.
- ◆ **In starting a business, a successful entrepreneur:**
 - a. perceives business opportunities in the environment;
 - b. evaluates the feasibility of entrepreneurial opportunities in the community;
 - c. mobilizes capital for business; and
 - d. organizes labor and production.

Making Your Business Grow

In *Lesson 1* you learned how important a dream is in starting a business. You also studied the qualities of a successful entrepreneur before starting a business. In this lesson, you will study the characteristics of a successful businessman as his business progresses. You will also learn how to make a business succeed.

At the end of this lesson, you are expected to be able to:

- ◆ introduce innovations in business;
- ◆ take risks;
- ◆ make business-related decisions; and
- ◆ sell products at a profit.

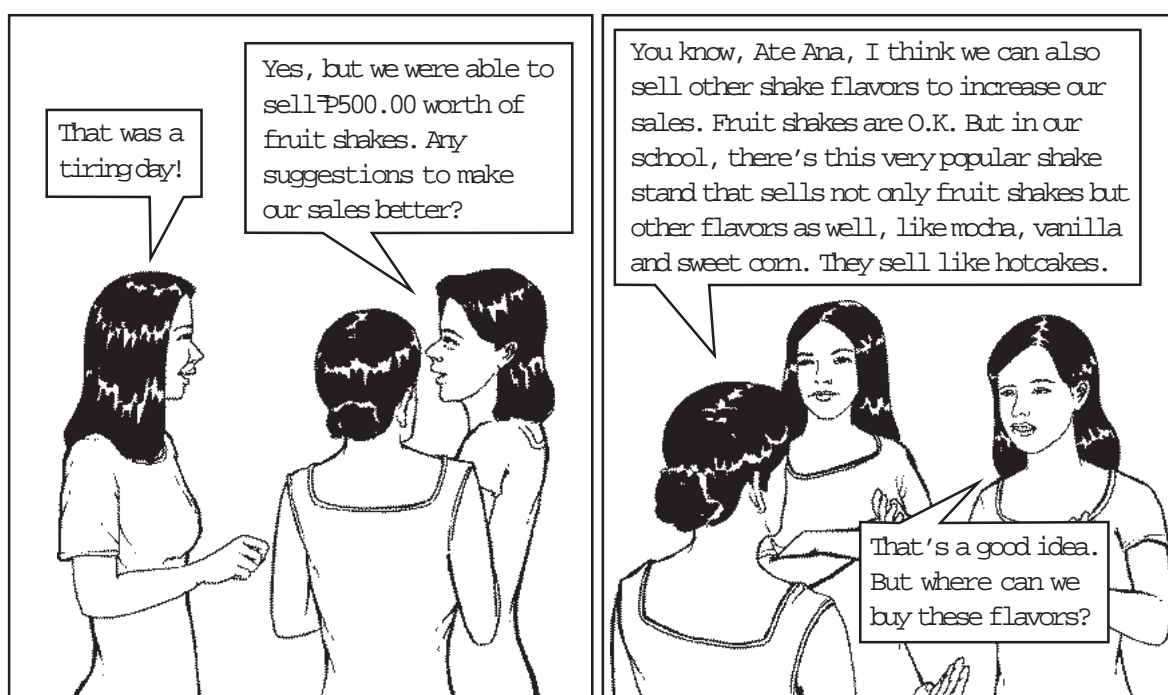


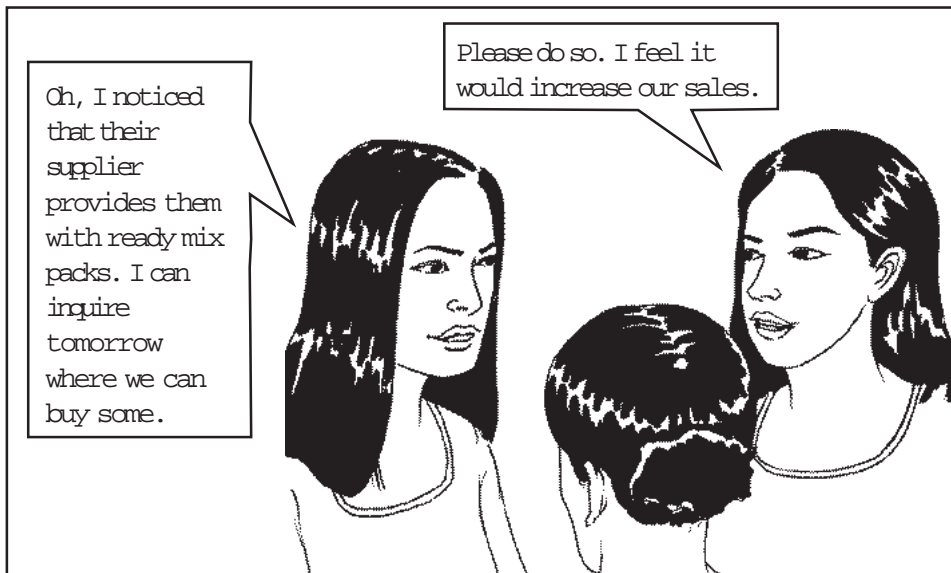
Let's Study and Analyze This

How can innovations help make business succeed? Read on and find out.

Introducing Business Innovations

Ana and her two sisters had a successful first day in the fruit shake business. They were able to sell ₱500.00 worth of fruit shakes. Ana estimated that their profit for the day was at least ₱100.00





Based on the comic strip, what qualities does Ana show?

If you answered that Ana was willing to introduce new flavors to increase their sales, you're correct. She's innovative or creative. This is a very important quality of a successful entrepreneur.

Many entrepreneurs become successful because they introduce something new to the market. This may be in the form of a new product to sell or a new service to offer. In Ana's case, she showed willingness to try out a business innovation. Innovations are not always successful. Some may even lead to losses. But a successful entrepreneur values the need to innovate or be creative; to constantly offer something new. People like to try out new things and services. They do not mind paying for something new that's nice and useful.



Let's Think About This

How about you? Have you bought something before just because it has a new design or feature? What was it? Think of what you liked most about that product and why you liked it.

An innovative or creative businessman uses his imagination. He thinks of new ideas that will attract more customers. For example, if your friend sells ballpens in school, what can you suggest as an innovation?

Your friend can sell pens with new designs such as cartoon characters, if he/she can find a source for them. Some pens have scented inks. A lot of female students like this. Some pens also have erasers, a useful tool for those who often write mistakes. There are many ways to innovate or be creative in business. Just be sure you know where you can source these innovative products.

In a barber shop near a school, the owner introduced an innovation. He offered a free 10-minute massage after each haircut. This increased his number of customers and, of course, made his profits bigger.



Let's Think About This

If you have a restaurant business, what are some innovations you can introduce?

There are many innovations that can be introduced in a restaurant business. Some restaurants adopt interesting themes. **Planet Hollywood** has pictures of Hollywood stars and movie memorabilia (articles or items that remind you of the past) inside the restaurant. **Fashion Café** has memorabilia of fashion designers and popular fashion models. The popular **Kamayan** Restaurant encourages customers to use bare hands for eating. Some have their waiters and waitresses wear costumes, while some serve food on roller skates. Other restaurants offer innovations in their menu. The possibilities are endless. A successful entrepreneur knows that his customers want variety and something new. Your business, too, must have something special or different to offer.



Let's Try This

Aling Marcela's business is selling jewelry by installment. She noticed that her sales are decreasing. What innovations do you suggest to make her business grow? Write them below.

1. _____
2. _____
3. _____
4. _____
5. _____

Compare your answers with those found in the *Answer Key* on page 35. Which of my suggested innovations don't you have? Copy them so that you will remember them better.



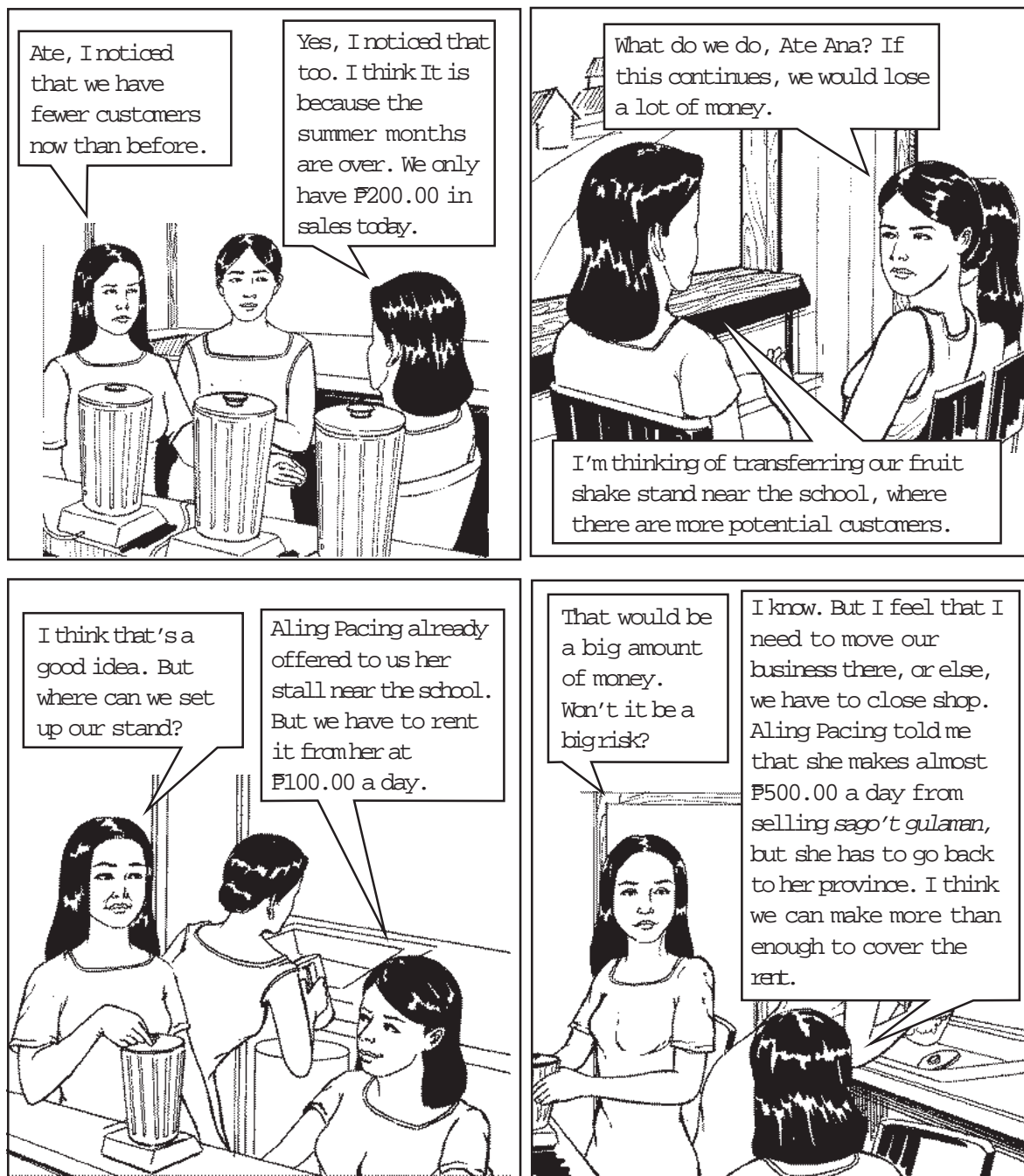
Let's Learn

Taking Risks and Making Business Decisions

Farmers often decide to fertilize their plants and take risks trying out a new farming method. Like farmers, businessmen are also challenged with making sensitive decisions and taking risks.

Read the comic strip below.

After a month in their fruit shake business...



Was Ana right in her decision to transfer their business to a new place near the school? What are the pros and cons if she decides to transfer? Write them below.

Advantages (Pros)

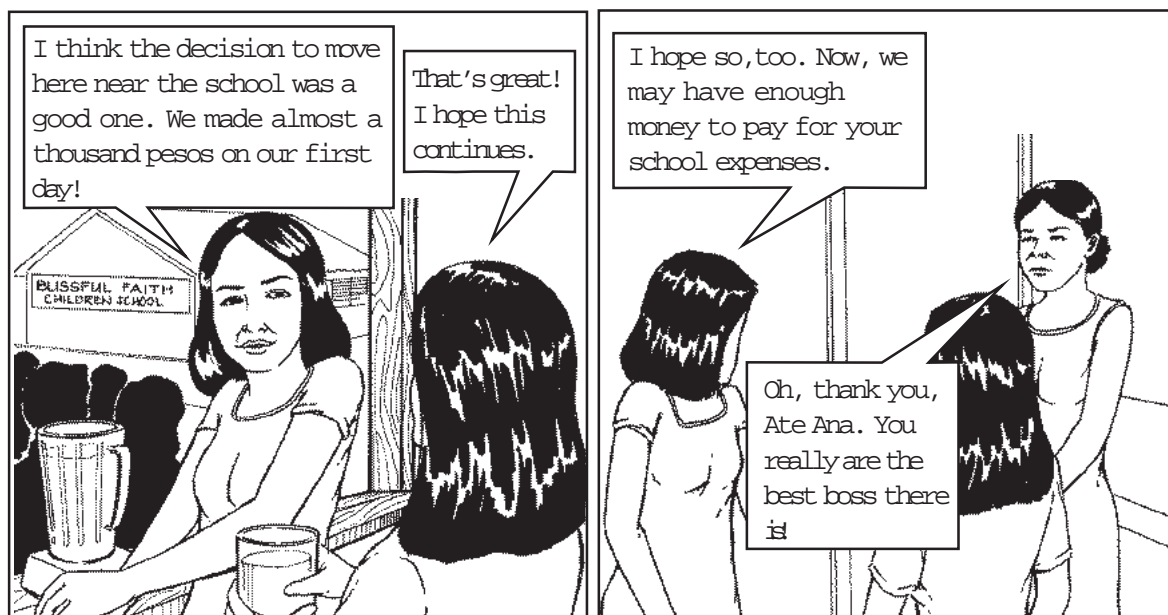
Disadvantages (Cons)

_____	_____
_____	_____
_____	_____
_____	_____

Now compare your answer with those found in the Answer Key on page 35. Are our answers similar?

Ana is not very sure about her decision, but she is willing to take the risk after weighing its advantages and disadvantages. A successful entrepreneur is not afraid to take risks. He/she makes decisions that he feels would be good for the business. Business decisions need to be thought of carefully. Like what I said before, getting into a business is like gambling. You really cannot be a hundred percent sure of the outcome later on. This is a part of business. If you do not take risks, you will have more to lose. The important thing is you make your decisions carefully or “play your cards well”.

Let’s see what happened to Ana and her sisters.



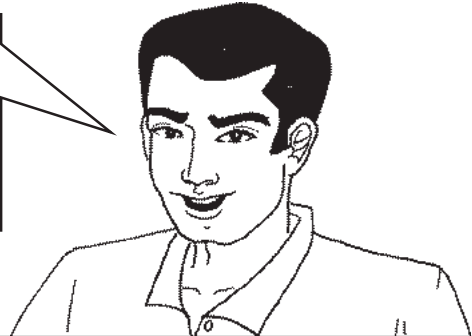
How do you feel after knowing the outcome of Ana’s decision? Ana was a risk taker. She is lucky to have made the right choice! Do you think she will be a successful entrepreneur?



Let's Learn

Selling Products at a Profit

Because of an added expense for daily rent, Ana made another important decision. She increased the price of her shakes from P10.00 to P12.00 a cup. She needed to do this to keep a fair share of profits.



Let's Try This

1. What are profits?

2. Why is it important that businesses profit?

Profits are also called income or gains. These are the earnings after the cost of labor and production have been deducted (subtracted) from the sales. For example, Ana computed that each shake would cost P 7.00 each to produce. If she sells these at P10.00 each, how much would she profit per cup of shake?

Subtracting P7.00 (cost of production) from P10.00 (selling price) would give her a profit of P3.00 per cup of shake sold. Remember that Ana has to pay P100.00 for rent daily. How many cups must she sell to cover this expense?

Ana has to sell about 35 cups to cover her daily rent. This would be too hard on her. This is why she had to make a major decision. She had to increase the price to P12.00 per cup. So, she only needs to sell 20 cups to cover her daily rent. The rest of the sales would be her profit.

Do you think Ana made the right decision in increasing her prices?

A successful entrepreneur makes sure that his/her business makes profits. If his/her business does not make profits, there would be no return of investment. Then, the business may have to close down because it is losing.

However, businessmen must also make sure that they do not **“overprice themselves out of the market”**. This means that if their products become too expensive, then there would be fewer people who can afford them.



Let's Think About This

In Ana's case, if she became greedy and sold the shakes at ₱30.00 per cup, would you still buy from her? Why? What do you suggest Ana should do?

This is an example of overpricing. People do not like to buy overpriced goods. A successful entrepreneur remembers this. He/she sells products at a profit but does not overprice them. His/her business would suffer if he/she overprices his/her goods. Some people would not patronize his/her goods.



Let's Review

To check if you learned this lesson well, study this case and answer the questions that follow.

Marco sells *sampaguita* garlands outside the church during Sundays. He buys the garlands at ₱1.00 each and sells them at ₱2.00, the same price other *sampaguita* vendors are offering to their buyers. Every Sunday, he is able to sell 20 garlands. One day, he decided to sell his garlands at ₱3.00 each to increase his profits.



1. Did he make a wise decision? _____
2. Why? _____

3. If you were his friend, what would you suggest Marco do?

4. What innovations can he introduce to increase his sales?

Check if your answers are correct. Refer to the *Answer Key* on pages 35. If your answers are similar, you have learned the qualities of a successful entrepreneur! You may proceed to the next lesson.



Let's Try This

Interview a successful entrepreneur in your community. Find out the risks he/she had to take and the major decisions he/she had to make his/her business successful. Also find out the ways in which the prices of his/her products or services are determined. Reflect on the information that you gather.



Let's Remember

- ◆ A successful businessman takes care of his business to make it grow.
- ◆ He/she:
 - takes calculated risks,
 - makes careful business-related decisions, and
 - sell products at a profit to keep his/her business running.
- ◆ A successful entrepreneur does not “overprice himself out of the market”.

Planning For the Future

In *Lesson 1*, you studied what successful entrepreneurs do before starting a business. In *Lesson 2*, you learned how they manage to keep their business running well. To be a successful entrepreneur requires you to take care of your business and make careful decisions to make it grow and become successful.

In this lesson, you will learn how entrepreneurs plan for the future of their business.

By the end of *Lesson 3*, you should be able to:

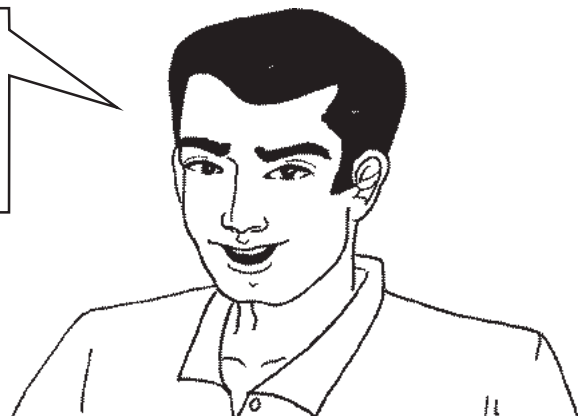
1. set goals for a business; and
2. plan for the future of the business.



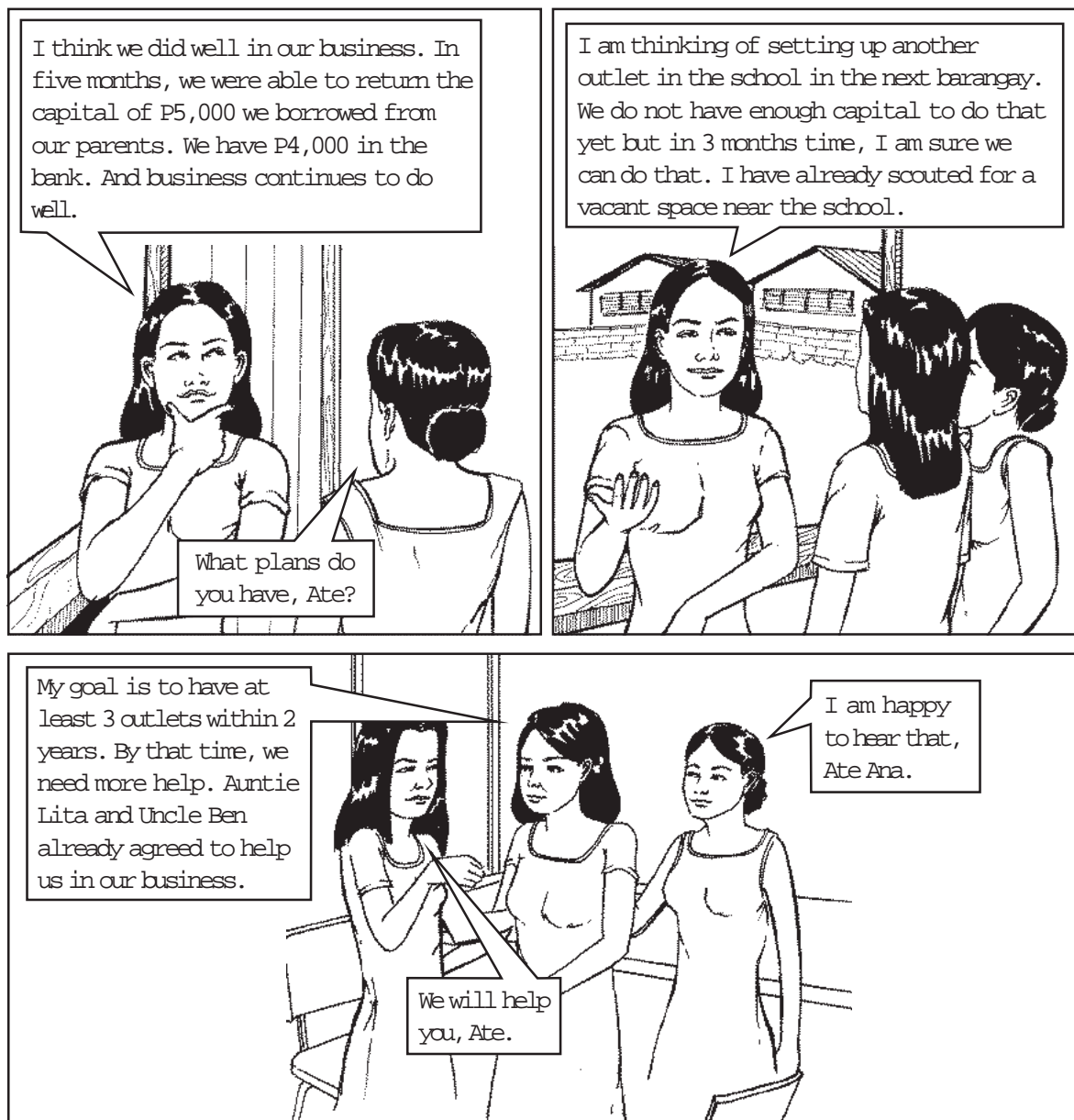
Let's Think About This

Do you plan your daily activities? How do you make your plans? Do you write them down? Or just keep them in your mind? How about plans for your future? Do you write them down?

Entrepreneurs must set goals and make plans for the future of their business. It is important that they have a vision for their business, something that they want to happen in the future.



Let's see what happened to Ana and her sisters. Read on and find out.



Let's Try This

1. What are Ana's plans for their business?

2. What is her goal within two years?

3. What has Ana done in relation to her goals/plans?

4. Why is planning important for business?

Compare your answers with those found in the Answer Key on page 36. If your answers are similar, that's great!

Setting goals is important for any business. After goals have been set, planning is needed to make sure that these goals are achieved.



Let's Study and Analyze

Why are goals important in planning a business? What kind of goals should be set? Read on and find out.

Setting Goals

To succeed in business, follow the acronym SMART to achieve your goal. What is a SMART goal?

A **SMART** goal is:

S Specific

M Measurable

A Attainable

R Relevant

T Time Bound

A specific goal clearly tells what you want to happen to the business. In setting your goal, try to follow the acronym SMART. This means that it is attainable and realistic. Do not make goals that are impossible to achieve. A goal is relevant if it is important and has meaning to you, the entrepreneur. It is time bound if you set a deadline for the goal to be achieved.

Have you set a SMART goal before? Did you achieve it?

Here is an example of a SMART goal.

My goal is to increase the sales of my sari-sari store(specific and relevant) from ₱500.00 a day to ₱1,000.00 a day (measurable and attainable) within 6 months (time bound).



Let's Try This

Read and analyze these goals. Are these SMART goals? Why? Why not?

1. I want to be rich someday
2. I want my barbershop to earn more.
3. I want to earn P500 a day within six months.

Change the above goals into SMART goals. Write your answer below.

1. _____

2. _____

3. _____

Compare your answers with mine on page 36.



Let's Learn

Planning for Business

Review the SMART goal given on page 33. How would you plan to achieve this goal? Like planning your daily activities, you plan for your business by writing down the things that you have to do in order to achieve your goals.

This is how Ana plans for the expansion of her business:

My Plans for Expanding My Shake Selling Business

Goal: Earn ₱2000 more a week from the shake selling business

Plan: Put up a new shakes stall in Barangay Cupang

Steps To Take:

1. Save ₱6,000.00 from current profits.
2. Look for a vacant space for rent near the school in the next barangay.
3. Invite three relatives who want to help in the business
4. Orient the relatives on preparing shakes and managing sales .
5. Order extra equipment and supplies.

This is just a sample plan. Of course, plans differ depending on the type of business and the goals that the entrepreneur wants to achieve. The plan should serve as the entrepreneur's guide in operating her business. It should be simple and easy to understand and remember.

Now that you know the qualities that successful entrepreneurs should have, you could be on your way to becoming one like them too!



Let's Review

Suppose you decide to put up a sari-sari store. Use a separate sheet of paper to write your plan for the business. Follow Ana's format in making your plan. Have your work checked by your Instructional Manager when you're done. Take notes of his/her comments and make the necessary corrections or improvements that he/she suggests.



Let's Try This

Answer the following questions.

1. Making SMART goals is important for business. What does SMART stand for?

2. Give an example of a Smart goal for a business.

3. Why is planning important for business to be successful?

Compare your answers with those found on page 36. If you got the answers correct, very good! That means you now know the importance of planning and setting goals to make businesses successful.



Let's Try This

Talk to a successful entrepreneur in your community. Find out what his/her goals and plans are for his/her business in the future. Keep in mind the effective strategies he will use in achieving his plans and goals. These might be of use to you when you go also into this kind of endeavor.



What Have You Learned?

To find out how much you have learned from this module, answer the following questions.

- A. Place a check mark on the characteristics that mark a successful entrepreneur.

- _____ 1. Easily sees opportunities for business in his/her community
- _____ 2. Makes future business plans
- _____ 3. Takes risks
- _____ 4. Sells products at a profit
- _____ 5. Introduces innovations or improvements
- _____ 6. Organizes labor and production well
- _____ 7. Makes careful business-related decisions
- _____ 8. Manages finances well
- _____ 9. Overprices his/her products
- _____ 10. Is not bothered by competition

- B. A student sells T-shirts in school. Write down five innovations that he/she can introduce to increase his/her sales and profits.

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____

- C. What happens to an entrepreneur who is not willing to take risks?

D. What kind of entrepreneur do you want to be? What qualities or traits should you have? Write your answers below.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____

Compare your answers with those found in the *Answer Key* on page 37. How well did you do? Did you get your answers correct? If so, congratulations! You learned the marks of a successful entrepreneur well.

If you didn't get all the answers correct, that's okay. Review the parts you missed and correct your wrong answers.



Let's Sum Up

In this module, you learned some of the qualities of entrepreneur that lead to successful businesses.

In Lesson 1, you studied the importance of a dream in inspiring people to achieve. Also, you learned what a successful entrepreneur does before starting a business. These are:

- a. easily sees or perceives opportunities for business in the environment;
- b. evaluates the feasibility of entrepreneurial opportunities in the community;
- c. mobilizes capital for business; and
- d. organizes labor and production.

In Lesson 2, you learned what an entrepreneur does to make his/her business grow.

These are:

- a. take calculated risks;
- b. make careful business-related decisions; and
- c. sell products at a profit but does not overprice

In Lesson 3, you learned the importance of setting goals and making plans for business.



Answer Key

A. Let's See What You Already Know? (pages 2–3)

A. The following should have check marks.

Can perceive opportunities for business in his/her community

Takes risks

Introduces innovations or improvements

Organizes labor and production

Manages finances well

B. She can sell the following at school for a profit:

1. Food

2. Pencils

3. Pens

4. Paper

5. Erasers

6. Folders

C. The following should have check marks

Lower your price to 75 centavos each

Advertise

Make bigger ice candies

Make more delicious ice candies

Offer a free ice candy for every 6 ice candies bought

The 6 guide questions you can use to evaluate the feasibility of an entrepreneurial business in the community (page 9)

1. Do I know what I need to know about this business?

2. Do I have enough capital to start the business?

3. Who are my competitors and how can they affect my business?

4. Do I have enough labor and other necessities for the business?

5. How can I encourage customers to do business with me?

6. What problems do I anticipate in this business?

Capital expenses (the things needed to be bought before the business starts) for a **barber shop?** (page 10)

1. barber's chairs
2. mirrors
3. space for the shop
4. equipment such as scissors, combs, blow dryers
5. supplies such as powder and hair gel
6. air conditioner

Let's Think About This (page 14)

Ana showed skills in organizing labor and production. She assigns tasks to the people working in the business and has a system for running smoothly the operations of her halo-halo store.

Let's Try This (page 15)

- A.
 1. Perceive or easily see opportunities for business in the community
 2. Evaluate the feasibility of entrepreneurial opportunities in a community
 3. Mobilize capital for business
 4. Organize labor and production
- B. Capital expenses to start a sari-sari store business.
 1. Space for the store
 2. Store shelves
 3. Jars
 4. Refrigerator
 5. Stocks (items to be sold)
 6. Table and chairs
- C. ROI or return of investment refers to the profit generated from a business to pay for the capital. Since the capital is the initial investment, an ROI is the return of capital. This is a sign of successful business.

B. Lesson 2

Let's Try This (page 19)

Suggested innovations for a jewelry selling business:

1. Adopt a buy 2 take 1 scheme.
2. Offer free ear piercing for those who buy earrings.
3. Offer a free earring for every P10,000 sold.
4. Offer free jewelry cleaning for a year.
5. Offer a free small jewelry box for every set of jewelry sold.

Advantages and Disadvantages of Ana's Decision (page)

Advantages (Pros)

1. She can increase her profits.
2. She can have more customers.
3. Her business has a better chance of surviving.

Disadvantages (Cons)

1. She has to pay rent.
2. She has to sell more each day.

Let's Review (page 23)

1. No. Marco did not make a wise decision.
2. He overpriced what he is selling. Customers would less likely buy from him than from his competitors who sell the same product at a cheaper price.
3. If I were ⁼Mario's friend, I would suggest that he goes back to his old price of P2.00 per garland.
4. What innovations can he introduce to increase his sales?

He can attach ilang-ilang leaves to each garland and sell these at a slightly higher price. He can give customers a free garland for every 10 garlands bought.

C. Lesson 3

Let's Think About This (pages 26–27)

1. What are Ana's plans for their business?

Ana plans to open another shake outlet when she already has enough capital.

2. What is her goal within two years?

She plans to have 3 new outlets in the next two years.

3. What has Ana done in relation to her goals/plans?

She has talked to some relatives who could help her with her expansion. She also started looking for possible sites for her new outlet.

4. Why is planning important for business?

Planning makes the goals of the business easier to achieve. It gives the business a sense of direction.

Let's Try This (page 28)

Read and analyze these goals. Are these SMART goals? No, they are not.

1. I want to be rich someday
2. I want my barbershop to earn more.
3. I want to earn ₱500 a day within six months.

Change the above goals into SMART goals.

Your answer should be similar to these.

1. I want to earn ₱10,000 a month from my own poultry business when I am 20 years old.
2. I want my barbershop to post an increase of ₱500.00 a day on top of what it is now earning daily within 4 months.
3. I want to earn P500 a day while working as a writer within six months.

Let's Review (page 30)

1. SMART stands for SPECIFIC, MEASURABLE, ATTAINABLE, **Realistic** and TIME-BOUND.

2. A sample SMART goal:

I want my beauty parlor to post an increase of ₱400.00 a day on top of what it is now earning daily within 3 months.

3. Why is planning important for business to be successful?

Planning makes the goals of the business easier to achieve. It gives the business a sense of direction. This way, businesses tend to achieve the set goals.

D. What Have You Learned? (*pages 31–32*)

A. These should have check marks.

1. Perceives or easily sees opportunities for business in his/her community
2. Makes future business plans
3. Takes risks
4. Sells products at a profit
5. Introduces innovations or improvements
6. Organizes labor and production
7. Makes careful business-related decisions
8. Manages finances well

B. A boy sells T-shirts in school. Write down five innovations that he/she can introduce to increase his sales and profits.

These are just sample answers. You may have other answers to add to the list.

1. He can print the customer's name on the T-shirt.
2. He can copy a picture of the customer on the shirt using a computer.
3. He can give discounts or free shirts.
4. He can introduce new designs such as cartoon characters.
5. He can print the school logo on the shirt.
6. He can introduce a buy one-take-two scheme.
7. He can offer a free key chain for every 3 t-shirts sold.
8. He can sell on installment basis.
9. He can give out a raffle ticket for every shirt sold. A prize will be drawn after a hundred shirts are sold.
10. He can give a money back guarantee for shirts that "bled" or changed color after washing.
11. He can inform buyers that he would donate a certain percentage of the sales to a charitable institution.

C. What happens to an entrepreneur who is not willing to take risks?

Entrepreneurs who do not take risks tend to be less successful than those who do.

D. What kind of entrepreneur do you want to be? What qualities should you have?

Somebody who does the following:

1. Perceives or easily sees opportunities for business in his/her community
2. Makes future business plans
3. Takes risks
4. Sells products at a profit
5. Introduces innovations or improvements
6. Organizes labor and production
7. Makes careful business-related decisions
8. Manages finances well



References

Sanchez, Marlo. *Be Smart, Start and Manage Your Own Business*. Manila, Philippines: Pinoybisnes Resource Center.