

Question 2

The answers are in **this colour**.

Choose the ones that you find that will answer the questions

2.1 Give THREE reasons why it is important for her to write a business plan.

1. To help you with critical decisions

The primary importance of a business plan is that they help you make better decisions. Entrepreneurship is often an endless exercise in decision making and crisis management. Sitting down and considering all the ramifications of any given decision is a luxury that small businesses can't always afford. That's where a business plan comes in.

Your answer for the question:

Building a business plan allows you to determine the answer to some of the most critical business decisions ahead of time.

Creating a robust business plan is a forcing function—you have to sit down and think about major components of your business before you get started, like your marketing strategy and what products you'll sell. You answer many tough questions before they arise. And thinking deeply about your core strategies can also help you understand how those decisions will impact your broader strategy.

2. To iron out the kinks

Putting together a business plan requires entrepreneurs to ask themselves a lot of hard questions and take the time to come up with well-researched and insightful answers. Even if the document itself were to disappear as soon as it's completed, the practice of writing it helps to articulate your vision in realistic terms and better determine if there are any gaps in your strategy.

3. To avoid the big mistakes

Only about half of small businesses are still around to celebrate their **fifth birthday**. While there are many reasons why small businesses fail, many of the most common are purposefully addressed in business plans.

According to **data from CB Insights**, some of the most common reasons businesses fail include:

- **No market need:** No one wants what you're selling.
- **Lack of capital:** **Cash flow** issues or businesses simply run out of money.
- **Inadequate team:** This underscores the importance of hiring the right people to help you run your business.
- **Stiff competition:** It's tough to generate a steady **profit** when you have a lot of competitors in your space.
- **Pricing:** Some entrepreneurs price their products or services too high or too low—both scenarios can be a recipe for disaster.

The exercise of creating a business plan can help you avoid these major mistakes. Whether it's **cash flow forecasts** or a **product-market fit analysis**, every piece of a business plan can help spot some of those potentially critical mistakes before they arise. For example, don't be afraid to scrap an idea you really loved if it turns out there's no market need. Be honest with yourself!

However, by creating a business plan it could help you avoid these major mistakes. Whether it's **cash flow forecasts** or a **product-market fit analysis**, every piece of a business plan

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2.2 Discuss why a business plan needs to be presented.

To prove that you're serious about your business. A formal business plan is necessary to show all interested parties — employees, investors, partners, and yourself — that you are committed to building the business. Creating your plan forces you to think through and select the strategies that will propel your growth.

2.3 Describe how you would use body language when presenting a business plan.

Facts for you:

What Is Body Language?

Body language is the way your body communicates without the use of words. It includes hand gestures, posture, facial expressions, and movements that send messages of their own. Body language can happen consciously and unconsciously.

For example, the way you're sitting right now paired with your facial expression can tell others a lot about you. Based on your body language, they can tell whether you're amused or concentrating hard. They can tell whether you're approachable or if you're having a bad day.

If you're in a discussion with someone and verbally agree with them, your body language will likely reveal your thinking. It may either confirm that you indeed agree with what is being said or betray you and tell others you don't feel the same way.

In other words, your body language reveals the true story behind your words. But you can choose and control your body language with practice.

1. **Smile:** Believe it or not, a smile is the most powerful tool you've got in your body language toolbox.
2. **Assume a Power Pose**
3. **Move Towards the Audience**

so, this Question is asking you how would represent yourself as a businesswoman in the Business plan, how would show them using body language

2.4.1: Calculate Zolile's expenditure for a month.:

$$\text{spend} = 4000 * 4 = 16000$$

$$200 * 4 = 800$$

$$150 * 4 = 600$$

which gives her a total of 17400 per month

the total amount she spent was ≈ 4350

$$\frac{65}{100} * 16000 = 10400 \text{ in profit}$$

$10400 + 800 + 600 = 11800$ *for the income*

Question 3

3.1: Name TWO ways of evaluating methods of market research

- a. Primary research looks at any data you collect yourself (or someone you pay). It encompasses analysing current sales, metrics, and customers. It also considers the effectiveness of current practices, while taking competitors into account.
- b. Secondary research looks at data that has already been published by others. It includes reports and studies from other companies, government organizations, and others in your industry.

3.2 Mention TWO types of taxes that an entrepreneur must comply with.

- A. There are primarily 2 significant types of taxes – Direct and indirect taxes.
- B. Direct taxes include interest tax, income tax, wealth tax etc., Indirect taxes include excise duties, customs duties, sales tax.

3.3 Discuss TWO disadvantages of starting a business. (you choose the ones that you find that will answer the questions)

Disadvantages of Small Business Ownership:

As the little boy said when he got off his first roller-coaster ride, “I like the ups but not the downs!” Here are some of the risks you run if you want to start a small business:

- **Financial risk.** The financial resources needed to start and grow a business can be extensive. You may need to commit most of your savings or even go into debt to get started. If things don't go well, you may face substantial financial loss. In addition, there's no guaranteed income. There might be times, especially in the first few years, when the business isn't generating enough cash for you to live on.
- **Stress.** As a business owner, you are the business. There's a bewildering array of things to worry about—competition, employees, bills, equipment breakdowns, customer problems. As the owner, you're also responsible for the well-being of your employees.
- **Time commitment.** People often start businesses so that they'll have more time to spend with their families. Unfortunately, running a business is extremely time-consuming. In theory, you have the freedom to take time off, but in reality, you may not be able to get away. In fact, you'll probably have less free time than you'd have working for someone else. For many entrepreneurs and small business owners, a forty-hour workweek is a myth. Vacations will be difficult to take and will often be interrupted. In recent years, the difficulty of getting away from the job has been compounded by cell phones, iPhones, Internet-connected laptops and iPads, and many small business owners have come to regret that they're always reachable.
- **Undesirable duties.** When you start up, you'll undoubtedly be responsible for either doing or overseeing just about everything that needs to be done. You can get bogged down in detail work that you don't enjoy. As a business owner, you'll probably have to perform some unpleasant tasks, like firing people. (A, 2016)

In spite of these and other disadvantages, most small business owners are pleased with their decision to start a business. A survey conducted by the Wall Street Journal and Cicco

and Associates indicates that small business owners and top-level corporate executives agree overwhelmingly that small business owners have a more satisfying business experience. Interestingly, the researchers had fully expected to find that small business owners were happy with their choices; they were, however, surprised at the number of corporate executives who believed that the grass was greener in the world of small business ownership (Cicco and Associates Inc., 2006)

A/ N. (2016, June 8). 5.4 Advantages and Disadvantages of Business Ownership – Exploring Business. Open. <https://open.lib.umn.edu/exploringbusiness/chapter/5-4-advantages-and-disadvantages-of-business-ownership/>

3.4 Provide ONE reason why a business idea may be non-viable.

The business could not fit in with the market or there is no market for the business

3.5 Identify ONE thing that should be done before starting any business

#1 Money is important but not enough

A lot of entrepreneurs manage to raise capital early in the game, but money is just not enough. A sound business model that generates consistent cash flows is important. Besides, you need people to implement your systems.

#2 Focus on people and their needs

Business is all about people. You can't do it all by yourself. Focus on people, understand their needs, compensate them adequately, and invest in their training. They may or may not stay with you, but it's important to continually train them.

#3 The owner is separate from his business

It's important to separate yourself from your business and look at yourself as an employee and shareholder in your business. I've seen that many people struggle to differentiate their personal finances from that of their business.

#4 Choose the right business for you

Sometimes, the difference between success and failure can be just choosing the right business for you. There are times when no matter how much you try, things just won't work out because market conditions are not in your favour.

For example, the airline industry in most countries has a profit margin of less than 2% and most airlines even though they are run by competent people don't make money.

#5 Maintain a strong work-life balance

I see a lot of entrepreneurs spend 12 to 13 hours a day in their business. And they've been doing it for over 10 years. This eventually causes them to burn out and become unproductive. The moment you start working lesser hours, you find ways to streamline your operations and get things done faster. Nowadays, there are a lot of apps that can help you become more productive.

#6 Start Saving Early

I was never really a big spender. However, I rarely bothered to save money early in my life. If you start saving early, you can use your savings to invest in your business. Savings give you options.

#7 Learn to manage debt better or stay out of it

Some entrepreneurs use debt to start a business, this can be very dangerous especially if you are a first-time entrepreneur. A start-up is inherently very risky, especially if the business model is untested.

If the business fails, the business owner still needs to pay back debt because most debts are personally guaranteed by the business owner.

Some entrepreneurs use home loans, and personal loans to start a business because interest rates on these types of loans are low. However, be very careful, less optimistic, and make sure your debt is within manageable limits.

#8 Find a good mentor

Having a good mentor is like parental guidance. You want someone to hold you accountable for your actions and provide guidance through your journey.

But choose your mentor wisely. It should ideally be someone who has a strong track record of success in business, believes in your idea, and is willing to give you honest feedback without worrying about protecting your feelings.

Conclusion

Starting a business can be very exciting. But it's important to do your homework, and take measured, meticulous steps. Start small and take incremental steps one day at a time. (Ramdev, 2016)

Ramdev, V. (2016, June 23). 8 Things To Know Before Starting A Business. Entrepreneur. <https://www.entrepreneur.com/article/277991>