

FORMATIVE ASSESSMENT WORKBOOK

Unit Standard 119670

Activity 11 (SO1, AC 1-5)

What do you think you have to know before you start a business? Think about money, clients, equipment, staff to do the work, etc.

[illegible]

Describe the following legal business types and give an example of each:

Sole Trader: size	
Legal personality:	
Examples:	
Partnership:	
Legal Personality:	
Examples:	
Close Corporation: size	
Legal Personality	
Examples	
Private Company: size	
Legal Personality	
Examples:	
Public Company: size	
Legal Personality	
Examples	

List THE places where you have to register when you start your own business

In a group, discuss the following characteristics of ethical behaviour and how you can apply this in your own business:

Honesty	
Loyalty	
Charity	
Responsibility	
Respect	
Civic virtue	

Write a code of ethics for your business.

Activity 12 (SO2, AC 1-5)

In a group, do an organogram of a sole trader who wants to start a taxi service transporting children to school and back. Do this on the next page. You have to decide who in the business will be responsible for:

- ✓ Arranging loans and other finance for the business (finance department)
- ✓ Marketing and PR: brining the new service to the attention of the general public
- ✓ Sales: who will go out and get clients
- ✓ Administration: who will be responsible for invoicing, paying salaries and wages, filing of documents, collecting and controlling payments, etc.
- ✓ Purchasing: who will be responsible for purchasing the vehicle, the petrol and arranging services for the vehicle.
- ✓ Operations: who will be the driver, who will work out the routes and time schedules, etc.
- ✓ Quality control: who will be responsible for ensuring that the vehicle leaves on time, follows the route and time schedules, etc.
- ✓ Human resources: who will be responsible for appointing staff with the necessary skills and knowledge at competitive salary rates, who will be responsible for ensuring that labour laws are followed when dealing with staff, etc.

By now it should be obvious that there is too much work for one person. You now have to decide what you will do. The best rule here is to do what you know well yourself and to outsource the other work by appointing someone to help you.

Now you have to decide how many employees you will need to help you run your business. Of course, you will also have to make sure that you can afford to employ staff. A one-man business can usually not afford to employ too many people.

Since it is your business, you will have to control their work to ensure that it is done in the way you want it done. So you have to decide how much authority and responsibility you will give your employees.

In a group, from the organogram, determine how many employees you will need. Then you have to think about what that person has to do. Will this person control the money received and bank the money, will this person issue invoices, will this person make payments, etc. make a list of all the things employees will have to do. Then decide how much authority you will give them to do the work without asking you first.

ORGANOGRAM

EMPLOYEES

[illegible]

You have now done an organogram, showing who will be responsible for the different functions in your business. This means that you have established the lines of authority and responsibility in your business. You have also decided how many employees you will need.

Now you must determine what skills and knowledge they must have.

In a group, write down the knowledge and skills that your employees must have in order to help you run your business.

[illegible]

Activity 13 (SO2, AC 1-4)

On your own, for your own business idea:

- ✓ Draw an organogram showing the different functions.
- ✓ Decide what you will do
- ✓ Decide for which functions you will need to employ staff
- ✓ Decide how many employees you will need.
- ✓ Decide how much authority and responsibility you will give them
- ✓ Write down the skills and knowledge they will need to do the work.

ORGANOGRAM

[illegible]

EMPLOYEES KNOWLEDGE AND SKILLS

[illegible]

Activity 14 (SO 3, AC1-5)

This is an individual activity

Decide on the type of business you want to start.

Write down all the places you will have to register.

What legal requirements will you have to comply with?

[illegible]

Write down all the resources you will require for your business.

[illegible]

Before you start drawing up your business plan, you must first collect the information required. Refer back to section and write down all the information you will need for

Operational plan

Management and organisational plan

Financial plan

Marketing plan

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Who Can Help You Compile Business Plans?

Activity 15 (SO 4, AC6)

This is a group activity

In a group, write a vision statement for the taxi service to take children to school.

[illegible]

Activity 16 (SO 4, AC2, 6)

This is an individual activity

Now write a vision statement for the business you want to start.

[illegible]

Write a mission statement for the business you want to start

[illegible]

List your personal objectives against your business objectives:

Personal Objective			Work Objective		
What is your long-term objective regarding your personal life – what do you want to achieve in the next five years			What is your long-term objective regarding your business – what do you want to achieve in the next five years.		
Objective	Target Date	Responsibility	Objective	Target Date	Responsibility

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What do you wish to accomplish in your personal life this year			What do you wish to accomplish in your business this year		
Objective	Target Date	Responsibility	Objective	Target Date	Responsibility

List the things you need to do to meet your objective for this year

Objective

Target Date

Responsibility

What are the skills you need to obtain to reach your objective

Objective

Target Date

Responsibility

My business action plan

First Month

[illegible]

Third Month

[illegible]

Sixth Month

[illegible]

One Year

[illegible]

Three years

[illegible]

Five years

[illegible]

Activity 17 (SO 4, AC1, 3-5)

In handout 2 you will find an example of a business plan for Food Heaven. In a group, study the business plan so that you know what is required.

Develop a business plan for your business, following the format given in the learner guide.