

FORMATIVE ASSESSMENT WORKBOOK

Unit Standard 119673

Activity 1 (SO1 AC1): group discussion

Divide into groups of four. Think of all the reasons why one would start a business.

Activity 2 (SO1 AC1): group discussion

In your groups, discuss the difference between needs and wants and give examples:

Activity 3 (SO1 AC1): group discussion

1. In your groups, select discuss the following businesses in terms of needs, wants and adding value: Hairdresser: what needs does s/he satisfy? What wants does s/he satisfy? How does s/he add value?
2. Taxi: what needs does s/he satisfy? What wants does s/he satisfy? How does s/he add value?
3. Hawker selling fruit and vegetables: what needs does s/he satisfy? What wants does s/he satisfy? How does s/he add value?

Activity 4 (SO1 AC1): group discussion

1. In your groups, discuss the following businesses: Hairdresser:
2. Taxi: what needs does s/he satisfy? What wants does s/he satisfy? How does s/he add value?
3. Hawker selling fruit and vegetables: what needs does s/he satisfy? What wants does s/he satisfy? How does s/he add value?

Activity 5 (SO1 AC 5): group discussion

In a group, discuss the reasons that businesses fail. Decide what successful business owners do to ensure the success of their businesses. Note these positive actions to take to make sure your business is successful. Use the following topics as a guideline:

1. Owners working in the business:
2. Emotional decision-making:
3. Unclear objectives
4. No monthly action plans
5. A lack of systems
6. Bad buying
7. Lack of capacity
8. No understanding of how to price the goods you sell
9. No understanding of the difference between cash flow and profit
10. Too little money to start the business properly



Activity 6 (SO1 AC 4): group discussion

As part of your pre training assignments you were requested to: observe, list and describe at least three small businesses situated in the area in which you live or work.

In groups, discuss your findings. Make notes of the three businesses in terms of:

Name of business	Type of business – what do they do or sell

You were also requested to identify a successful entrepreneur and do research about this entrepreneur. In groups, discuss the entrepreneurs you identified:

Name of entrepreneur	Why do you think he is successful

Activity 7 (SO1 AC 6): group discussion

Discuss the following questions in a group and note your conclusions.

1. How many passengers do you think a female taxi driver will be able to collect?
2. You run a driver training centre, specialising in training taxi drivers. Do you think they will accept that a white woman can test their driving abilities?
3. How many female customers would a male beautician have?
4. Would a man feel comfortable about visiting a female doctor?

Activity 8 (SO1 AC 6): group discussion

In a group, discuss the ways of overcoming gender bias for the following:

1. Female taxi drivers
2. White woman testing driver's abilities
3. Women using a male beautician
4. Men visiting a female doctor
5. Identify gender barriers for your own business and explain what you would do to overcome these barriers.

Activity 9 (SO1 AC 6): group discussion

In a group, discuss cultural barriers that exist for your different business ideas. Also discuss ways of overcoming these barriers.



Activity 10 (SO1 AC 6) group discussion

During your pre-training assignment you were requested to observe, list and describe at least three small businesses situated in the area in which you live or work.

In your groups, discuss the following about these businesses:

1. Why these businesses could fail
2. How these businesses could succeed
3. Who the customers of these businesses are
4. What needs these businesses fulfil
5. What wants these businesses fulfil
6. What value these businesses add to products or services
7. What the inputs are
8. What the processes are
9. What the outputs are
10. How to get feedback from customers
11. What cultural barriers exist for these businesses and how to overcome them
12. What gender barriers exist for these businesses and how to overcome them
13. What social barriers exist for these businesses and how to overcome them

Activity 11 (SO1 AC1): individual activity

1. In your own words, explain what a business is.
2. What business do you want to start? Identify the business and then discuss the business in terms of needs, wants and value added.
 - ✓ business type
 - ✓ Needs
 - ✓ Wants
 - ✓ Value added
3. For your own business idea, discuss the inputs, processes and outputs of the business.
 - ✓ What are the processes involved at
 - ✓ What are the outputs produced

Activity 12 (SO1 AC2): individual activity

Discuss ways in which entrepreneurs create employment opportunities.

What employment opportunities will your business create?



Activity 13 (SO1 AC3): individual activity

Think about the business you want to start. List the advantages there will be for your business. Remember to quote examples of the advantages.

Advantage	Example

Think about the business you want to start. List the disadvantages there will be for your business. Remember to quote examples of the disadvantages.

Disadvantage	Example

Activity 14 (SO1 AC4): individual activity

1. List and describe at least two small businesses situated in the area in which you live or work. Discuss these businesses in terms of the following: Type and name of business
2. What employment opportunities did these businesses create?
3. Why do you think these businesses are successful?
4. What do you think could you learn from these entrepreneurs?
5. What entrepreneurial characteristics do you think the owner of the business has?
6. Why do you think so?

Activity 15 (SO1 AC5): individual activity

In your own words, discuss the reasons that businesses fail and what you will do to make sure that your business is successful.

1. Emotional decision-making
2. Unclear objectives
3. No monthly action plans
4. A lack of systems
5. Bad buying
6. Lack of capacity
7. No understanding of how to price the goods you sell
8. No understanding of the difference between cash flow and profit
9. Too little money to start the business properly



Activity 16 (SO1 AC6): individual activity

List and explain cultural, gender and social barriers that exist for your business idea. Also discuss ways of overcoming these barriers.

- ✓ Cultural barriers
- ✓ Gender barriers
- ✓ Social barriers

Activity 17 (SO1 AC7): individual activity

Discuss the need for a business plan: why is it necessary and what purpose will it have in terms of your small business?



Activity 18 (SO2 AC1,2): self analysis

1. Select an idea for a new business venture. Do a self-analysis based on the following:

Characteristics required (Describe yourself)

- 1.1. Identify possible training needs in order to compensate for lack of knowledge and skills
- 1.2. Temperament: are you able to work with employees and customers?
- 1.3. Work ethic: are you willing to work hard?
- 1.4. Do you have a desire to take responsibility and be in control?
- 1.5. Do you have a preference for moderate risk?
- 1.6. Do you have a steady confidence in your ability to succeed?
- 1.7. Do you have a high level of energy?
- 1.8. Do you have an orientation toward the future?
- 1.9. Do you have a skill in organising?
- 1.10. Do you have a love of achievement?
- 1.11. Compare your findings in the group. Do your fellow students agree with you?

2. Here is another self-evaluation exercise. Test your strengths and weaknesses by answering the following questions as truthfully as you can:

QUESTION	YES	NO
Are you willing to put your own money into the business?		
Are you a hard worker?		
Do you have enough faith in your business to believe that you can succeed?		
Are you good at selling? This is necessary for most businesses, trading, manufacturing or services		
Do you work well with other people?		
Are you good at communicating with other people?		
In a manufacturing business, can you make things?		
Do you want to be your own boss and do your own thing?		



Do you want to get out there and do something?		
Are you willing to learn?		
Do you have a good credit record or do you have a lot of bad debt?		

If, after having considered all these factors, you are still determined to go into business, you should check your weaknesses and take steps to improve on them.

3. On the basis of your analysis and group discussion, do an analysis of your strengths and weaknesses: Use the following questions to guide you:

- 3.1. Do you know who your competitors are and what they charge for the products or service?
- 3.2. Do you have the experience and technical skills to do the jobs that your business needs?
- 3.3. Do you know how to set objectives?
- 3.4. Do you know how you want the work to be done? Do you have systems in place to make sure the work is done correctly?
- 3.5. Do you take time making decisions to ensure that you make the right decision?
- 3.6. Do you know who to buy from and at what price to buy?
- 3.7. Do you know how to price your products or service?
- 3.8. Do you know the difference between cash flow and profit?
- 3.9. Will you have enough money to start the business?
- 3.10. How much do you know about the industry that you want to start a business in?
- 3.11. Are you willing to learn about the industry?
- 3.12. Do you know who your customers will be?
- 3.13. Do you have a business plan?
- 3.14. Have you identified cultural, gender and social barriers to your business?
- 3.15. Have you identified ways of overcoming these barriers?
- 3.16. Do you have the self-discipline to work hard every day?
- 3.17. Are you logical, organised and responsible (good at getting things done)?
- 3.18. Are you confident?
- 3.19. Are you able to communicate with other people so that they understand you?
- 3.20. Are you sociable, with the ability to take leadership?
- 3.21. Are you flexible and adaptable or are you fixed in your way of doing things?
- 3.22. Are you quick to take opportunities (and ready to take risks)?
- 3.23. Are you hard-working, committed and determined ?
- 3.24. Will you be able to handle failure?
- 3.25. Are you individualistic (not afraid to stand out from the crowd)?
- 3.26. Are you creative and imaginative (always coming up with new ideas for the business)?



- 3.27. Do you have enough experience in the field you want to start your business in?
- 3.28. Do you have the willpower to help you make it through difficult times?
- 3.29. Do you know how to negotiate with suppliers?
- 3.30. Do you know how to mediate between staff?
- 3.31. Do you know how to be sociable with customers?
- 3.32. Do you know how to be convincing with prospects?
- 3.33. Do you think clearly under pressure?
- 3.34. Can you take criticism without being offended or defensive?
- 3.35. Do you use your time effectively?.
- 3.36. Do you have business skills?
- 3.37. Do you have leadership skills?
- 3.38. Do you have organisational skills? Are you good at controlling the work of others?

Activity 19 (SO2, AC2): individual activity

Look at your business idea: what knowledge and skills do you need to make a success of your business? What strengths are required by the business? What are your strengths and weaknesses? Match your profile to the business opportunity:

Knowledge and skills needed for the business	My knowledge and skills
	knowledge and skills that I still have to acquire
Strengths needed by the business	My strengths
	Weaknesses that I have to turn into strengths

Activity 20 (SO2, AC3 - 7): individual activity

Draw up an action plan to turn your weaknesses into strengths and to acquire the knowledge and skills needed to start your business. Use the template on the next page to guide you.

During the course of this learnership you have to update this action plan and discuss progress with your facilitator and/or mentor.

Weakness	Knowledge/skill required	Which program will address this weakness?	When can I attend the program?	Completion Date	Is the weakness now a strength? If not, what will I do about it?

Activity 21 (SO4, AC1): identify entrepreneurial opportunities

The facilitator will lead a brainstorming session to help you generate ideas for a business. Use the following topics to guide you:

- ✓ Family and friends
- ✓ The community
- ✓ Wider economic trends
- ✓ Credit worthiness
- ✓ Any other opportunities

Activity 22 (SO4, AC1 - 2): individual activity

What business idea do you think suits you best? Select at least three from the brainstorming session. Describe your business ideas by comparing the idea to your talents, interests and profile. (8)

Business idea

- ✓ Your talents: how will you use your talents to make a success of this business? check learners understanding of the activity. if necessary, let learners present their findings to their groups
- ✓ Your interests: are you interested in this type of business?
- ✓ Do you think this idea suits you? Why do you think so?

Are you credit worthy or do you have bad debts? How will this affect your choice of business idea? Will a family member be willing to assist you?

Activity 23: (SO4, AC5): group activity

In a group, do a risk assessment of at the following risks identified with starting your own business: technical, performance, time, community, environmental and cultural contexts. Use the table on the next page as a guideline.

RISK ASSESSMENT		
Identify uncertainties / risks Look for areas of uncertainty.	Analyse risks Specify how those areas of uncertainty can impact on delivering the products or service	Prioritise risks <ul style="list-style-type: none"> • Which risks should be eliminated completely, because they have the potential of impacting extremely on the business or because they will need regular management attention, • And which risks are small enough not to impact too much on the business and will not need detailed management attention

Activity 24: (S04, AC5): individual activity

Assess the risks involved in your business idea.

Risks associated with technical knowledge and skills

- ✓ Identify uncertainties
- ✓ Analyse risks
- ✓ Prioritise risks

Risks associated with time

- ✓ Identify uncertainties
- ✓ Analyse risks
- ✓ Prioritise risks

Risks associated with the environment

- ✓ Identify uncertainties
- ✓ Analyse risks
- ✓ Prioritise risks

Risks associated with the community

- ✓ Identify uncertainties
- ✓ Analyse risks
- ✓ Prioritise risks

After the risk assessment, do you still think your business idea is good and will work? Motivate your answer.

Activity 25 (S04, AC 3-4): group activity

In a group, identify a possible problem relating to any one of the business opportunities discussed or selected by the group. . Discuss the problem and try to find a solution by following the steps above. Note the steps you take, the solution you decide on and how you will monitor the implementation of the solution.

Did it help you to follow the guidelines in the learner guide? Motivate your answer.

Activity 26 (S04, AC 3-4): individual activity

1. Identify possible problems that relate to your chosen business opportunity.
2. Use critical thinking skills to find solutions to the problem. State the solutions. If necessary, discuss the problem with your fellow learners or have a quick brainstorming session.

Activity 27 (S03, AC1 & 2): group activity

1. List at least 10 words / phrases that, in your opinion, describe an entrepreneur and his / her business best:
2. In your groups, discuss the following statements about entrepreneurship. State whether you agree or disagree and give a reason for your answer:
 - ✓ Entrepreneurs are born, not made.



- ✓ Entrepreneurs are risk-takers.
- ✓ Entrepreneurs are dishonest money-grabbers who only protect their own interests.
- ✓ People who find it difficult to get along with their bosses make successful entrepreneurs.
- ✓ Entrepreneurs must be young and energetic.
- ✓ Entrepreneurs are their own boss and are completely independent.

Activity 28 (SO3, AC 2-4): individual activity

Refer to your pre-training assignment.

1. Identify the characteristics of a typically successful entrepreneur. Pay specific attention to the entrepreneur's ability to
 - ✓ Take calculated risks
 - ✓ Take the initiative
 - ✓ Ensure sustainability
2. Identify typical entrepreneurial skills, personality traits and values of entrepreneurial value
3. Analyse each characteristic in the context of your chosen venture.
4. Identify and explain the technical, business, managerial and personal traits and characteristics that are required for your chosen venture.

Activity 29 (SO4, AC 4): individual activity

Make a list of people and organisations you intend to approach to help you with your new venture.

- ✓ Help with finances:
- ✓ Help with acquiring the knowledge and skills necessary to run your business
- ✓ Help with establishing and growing your business

Activity 30 (SO4, AC5): individual activity

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

Activity 31 (SO5, AC1 & 2): group activity

To explain why we have to set goals and objectives, let us start with an excerpt from the delightful Alice in Wonderland, by Lewis Carroll:

The cat only grinned when it saw Alice. It looked good natured, she thought, still, it had very long claws and a great many teeth, so she felt it ought to be treated with respect.

"Cheshire Puss, " she began, rather timidly, as she did not at all know whether it would like the name; however, it only grinned a little wider. It is pleased so far, thought Alice, and she went on, "Would you tell me, please, which way I ought to walk from here?"

"That depends a good deal where you want to get to, " said the cat. "I don't much care where, " said Alice.



"Then it doesn't matter which way you walk, " said the cat.

Answer the following self-check questions in the spaces provided:

1. What does Alice lack?
2. What could this mean for your business?



Activity 32 (S05, AC1 &2): group activity

To get some practice with analysing objectives, analyse the following objectives in a group. Are they SMART?

1. To achieve customer satisfaction.
2. To produce acceptable machine outputs by 1 July.
3. Treble company profit in six years.
4. To understand what makes customers tick.
5. To increase the number of calls made per representative from the current six, to eight per day by June 30.

Activity33 (S05, AC 1&2): individual activity

List the goals you want to achieve for your business:

- ✓ Short term
- ✓ Medium term
- ✓ Long terms

Use your list of goals to 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

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			What are the skills you need to obtain to reach your objective		
Objective	Target Date	Responsibility	Objective	Target Date	Responsibility

Activity 34 (S05 AC3): individual activity

My business action plan

1. First Month

what
why
when
who
how

2. Third Month

what
why
when
who
how

3. Sixth Month

what
why
when
who
how

4. One Year

what
why
when
who
how

5. Three years

what
why
when
who
how

6. Five years

what
why
when
who

how

Identify suitable mentors and coaches to assist you with the implantation of your plan. Are they available and do they have the capacity to assist you?

Identify the resources you will need to successfully implement your plan.