

START YOUR OWN BUSINESS WITH SUCCESS

INDEX OF TOPICS

Module 1 - WHY A BUSINESS OF YOUR OWN?

1.1 The answer to your Establishment Questions

1.2 Why in Business?

- 1.2.1 "To make money"
- 1.2.2 Forced Situations
- 1.2.3 Need for Independence
- 1.2.4 New Innovations

1.3 What Makes a Business Successful?

1.4 My Business Vision

- 1.4.1 What do I expect from my business?
- 1.4.2 What sort of Business?
- 1.4.3 Will it work?
- 1.4.4 What skills do I require in my business?
- 1.4.5 Get the Critics In

1.5 Economic Review

1.6 Challenges in Business

- 1.6.1 Support Structures
- 1.6.2 Changing Circumstances
- 1.6.3 Wrong Choices
- 1.6.4 "Growing Too Fast Too Soon"

WORKSHEET 1.1: My initial business idea

WORKSHEET 1.2: What do I want from my business?

WORKSHEET 1.3: What Business success means to me.

WORKSHEET 1.4: My business values

WORKSHEET 1.5: Challenges to my business idea

WORKSHEET 1.6: Me and my Business Skills

MODULE 1: CASE STUDIES

Module 2 - SUCCESS IN BUSINESS

2.1 Characteristics of Successful Businesses

- 2.1.1 The Essence of a Successful Business
- 2.1.2 Some primary qualities and characteristics of successful businesses

2.2 Broad Strategies for Start-up Businesses

2.3 Examples of some Internal and External Factors Influencing Success

2.4 Compliance Issues

2.5 Protect Yourself

- 2.5.1 Legal Formats
- 2.5.2 Insurance
- 2.5.3 Licenses, Certificates and other Conditions
- 2.5.4 Contracts
- 2.5.5 Intellectual Property
- 2.5.6 Trade Marks (also refer to Addendum 2.3)
- 2.5.7 Patents (also refer to Addendum 2.3)
- 2.5.8 Employees' Tax
- 2.5.9 Data and PC Communication

2.6 Taxes and Levies

2.7 How is Success Measured?

- 2.7.1 Nett Profit
- 2.7.2 Owner satisfaction
- 2.7.3 A growing customer base and client retention
- 2.7.4 Competitive Stance
- 2.7.5 Customer satisfaction
- 2.7.6 Advertising Success
- 2.7.7 Efforts to Innovate
- 2.7.8 Employee satisfaction

2.8 The Business Formula

- 2.8.1 Retail Businesses
- 2.8.2 Manufacturing Concerns
- 2.8.3 Service Providers

2.9 The Success Formula

MODULE 2: CASE STUDIES

ADDENDUM 2.1: COMPLIANCE ISSUES

ADDENDUM 2.2: BUSINESS LEGAL FORMATS

ADDENDUM 2.3: TRADE MARKS AND PATENTS

ADDENDUM 2.4: TAXES AND LEVIES

Module 3 - PLANNING FOR PROFITABILITY

3.1 How much Nett Profit?

- 3.1.1 Monthly Personal Expenses
- 3.1.2 Annual Personal Expenses
- 3.1.3 Personal Dreams and Aspirations
- 3.1.4 Total Personal Income Required
- 3.1.5 Reasonable Salary
- 3.1.6 Owners' remuneration for Risk taken
- 3.1.7 Provision for Growth and 'Rainy Days'
- 3.1.8 Business Nett Profit Required

3.2 The Nett Profit Budget

3.2.1 The Owner's Salary

3.2.2 How to compile the Nett Profit Budget

3.3 Distinction: As Owner and as Employee

3.4 Identification of Expectations

3.4.1 Misconceived Expectations

3.4.2 Identify Your Expectations

3.5 Quantifying your Expectations

WORKSHEET 3.1: My personal monthly expenses budget

WORKSHEET 3.2: My personal expectations for my business

MODULE 3: CASE STUDIES

Module 4 - WHAT IS IT GOING TO COST?

4.1 Fixed Expenses and Variable Costs

4.2 Identifying Operating Expenses

4.3 Examples of Operating Expenses

4.4 Depreciation

4.5 Unforeseen Expenses

4.6 Capital Budget Needed to Start Successfully

4.7 How will your business be financed?

WORKSHEET 4.1: ASSETS REQUIRED

MODULE 4: CASE STUDIES

Module 5 - GROSS PROFIT

5.1 What is Gross Profit?

5.2 Calculating the "Gross Profit Required"

5.3 What is a "Gross Profit Percentage" (GP%)?

5.4 Determining the Gross Profit % for YOUR Business

5.5 The Importance of Gross Profit

5.6 How much Gross Profit?

5.6.1 To cover Operational Expenses

5.6.2 To achieve your required Nett Profit

5.7 Industry Norms

5.7.1 $\text{Gross Profit \%} = \text{Gross Profit} / \text{Operating Income} \div \text{Sales} \times 100$

5.7.2 $\text{Operating Cost \%} = \text{Operating Cost} \div \text{Gross Profit} \times 100$

5.7.4 $\text{Profit Margin \%} = \text{Net Profit} \div \text{Sales} \times 100$

5.7.5 Personnel Remuneration to Gross Profit

MODULE 5: CASE STUDIES

Module 6 - COST OF SALES

6.1 What is Cost of Sales?

6.2 Calculation – Retail Businesses?

6.2.1 How is it Calculated?

6.2.2 Required Stock and Stock Turnover Rate (STOR)

6.3 Calculation – Manufacturing Concerns?

6.3.1 How Calculated

6.3.2 Direct Costs (Variable Costs)

6.4 Calculation - Services

6.4.1 How Calculated

6.4.2 Direct Costs

MODULE 6: CASE STUDIES

Module 7 - MODULE 7-SALES REQUIREMENTS

7.1 What is the Sales required for your Business?

7.1.1 To Break-Even

7.1.2 to achieve your Required Nett Profit

7.2 Marketing Research

7.2.1 Planning your Market Research

7.2.2 Getting Useful Data

7.2.3 Performing your Own Research

7.2.4 Analyse and Understand your Results

7.3 How much Sales can my market accommodate?

7.3.1 Is the market share adequate to achieve the required nett profit?

7.3.2 What if the market share is more than required?

7.4 Is the Sales projected objective and achievable?

7.5 The Marketing Plan

7.6 Influencing Results

7.6.1 Sales

7.6.2 Cost of Sales/Cost of Raw Material

7.6.3 Gross Profit

7.6.4 Operating Expenses

7.7 Desk Study - Initial Viability

MODULE 7: CASE STUDIES

ADDENDUM 7.1: MARKETING PLAN TEMPLATE

ADDENDUM 7.2: MARKETING QUESTIONNAIRE

Module 8 - WHAT IS A PLAN OF ACTION?

8.1 Why a Plan of Action?

8.2 Broad Plan of Action Framework

8.3 The Outline of a Plan of Action

8.3.1 Vision Statement

8.3.2 Product / Service Description

- 8.3.3 Industry Analysis
- 8.3.4 Competition
- 8.3.5 Marketing Plan
- 8.3.6 Sales and Related Marketing Strategy
- 8.3.7 Research and Development
- 8.3.8 Operations Plan
- 8.3.9 Management Team
- 8.3.10 Personnel
- 8.3.11 Financial Plan

WORKSHEET 8.1: ACTION PLAN TASK LIST

ADDENDUM 8.1: SEVEN CRITICAL FINANCIAL RATIOS

ADDENDUM 8.2: CASH FLOW BUDGET

ADDENDUM 8.3: INCOME STATEMENT

ADDENDUM 8.4: BALANCE SHEET

MODULE 8: CASE STUDIES

Important notes to this course:

- It must be noted that this course is primarily aimed at assisting prospective **new business owners** with the **successful establishment** of their business concerns. This course does thus not cover the full spectrum and detail of assisting existing small business with the practical application of all management principals to ensure sustainability and growth.
- Other courses available specialises in **assisting currently operational business enterprises** with the application of practical small business management principals to ensure effective management and sustainable business growth.
- As the word “sales” is applicable to retail, wholesale, manufacturing and agricultural concerns and not services, the word “revenue” is used in many instances which will thus represent sales and revenue income.
- Although service businesses’ income is generated as Revenue or Income, not Sales as with retail and manufacturing businesses, we predominantly use the term **Sales** or **Turnover** for all of these, only for the purposes of this course material.