



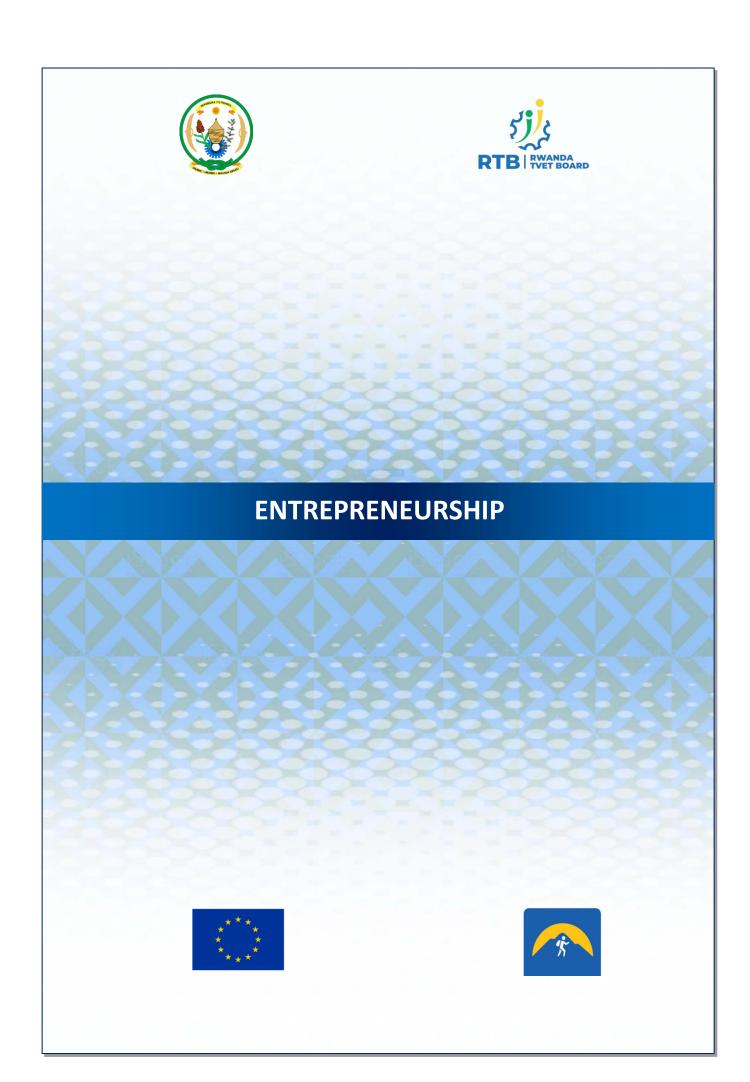
RQF LEVEL 4



CCMBP402
ALL TRADES

Entrepreneurship

TRAINEE'S MANUAL



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LIST OF ABBREVIATIONS AND ACRONYMS

CBET: Competence Base Education and Training

FC: Fixed Cost

PPE: Personal Protective Equipment

RQF: Rwanda Qualification Framework

RS: Rwandan Standard

RSB: Rwanda Standards Board

RTB: Rwanda TVET Board

SWOT: Strength, Weakness, Opportunity and Threats.

TVC: Total Variable Cost

TVET: Technical and Vocational Education and Training

VC: Variable Cost

INTRODUCTION

This trainee's manual encompasses all necessary skills, knowledge and attitudes required to develop a business plan. Students undertaking this module shall be exposed to practical activities that will develop and nurture their competences. The writing process of this training manual embraced competency-based education and training (CBET) philosophy by providing practical opportunities reflecting real life situations.

The trainee's manual is subdivided into units, each unit has got various topics. You will start with a self-assessment exercise to help you rate yourself on the level of skills, knowledge and attitudes about the unit.

A discovery activity is followed to help you discover what you already know about the unit. After these activities, you will learn more about the topics by doing different activities by reading the required knowledge, techniques, steps, procedures and other requirements under the key facts section, you may also get assistance from the trainer. The activities in this training manual are prepared such that they give opportunities to students to work individually and in groups.

After going through all activities, you shall undertake progressive assessments known as formative and finally conclude with your self-reflection to identify your strengths, weaknesses, and areas for improvement.

Do not forget to read the points to remember section which provides the overall key points and takeaways of the unit.

Module Units:

Unit 1: Identify the business plan

Unit 2: Write a business plan in line with the identified elements

Unit 3: Establish business contingency plan

Unit 4: Present a business plan



Unit summary

This unit provides you with the knowledge, skills and attitudes required to analyze a business plan required to develop a business plan. It covers the introduction to the business plan and the elements of the business plan.

Self-Assessment: Unit 1

- 1. Referring to the unit illustration above, discuss the following:
 - a. What do pictures above illustrate?
 - b. What a person is doing?
 - c. Based on the illustration, what do you think this unit is concerned?
- 2. Fill and complete the self-assessment table below to assess your level of knowledge, skills and attitudes under this unit.
 - a. There is no right or wrong way to answer this assessment. It is for your own reference and self-reflection on the knowledge, skills and attitude acquisition during the learning process.
 - b. Think about yourself: Do you think you have the knowledge, skills and attitudes to do the task? How well?
 - c. Read the statement across the top. Put a check in a column that represents your level of your knowledge, skills and attitudes
 - d. At the end of this unit, you will reassess yourself.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Define the business					
idea.					
Explain the difference					
between a business					
and a project.					
Design the business					
plan template					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Always use a business					
plan in your					
entrepreneurial					
activities.					
Being transparent					
while developing a					
business.					
Design the business					
plan template					
Differentiate business					
plan and project plan					
Describe the					
importance of using a					
business plan for the					
business users					
Demonstrate					
teamwork spirit while					
working in group					
Identify the elements					
of a business plan					
Describe the					
importance of using a					
Business plan for the					
business users					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe the cover					
page plan					
Describe the executive					
summary plan					
Describe the business					
description plan					
Describe production					
plan					
Describe marketing					
plan					
Describe staffing plan					
Describe financial plan					
Describe the					
implementation plan					
Define the business					
idea.					
Explain the difference					
between a business					
and a project.					
Design the business					
plan template					
Always use a business					
plan in your					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
entrepreneurial					
activities.					
Being transparent					
while developing a					
business.					
Design the business					
plan template					
Differentiate business					
plan and project plan					
Describe the					
importance of using a					
business plan for the					
business users					
Demonstrate					
teamwork spirit while					
working in group					
Identify the elements					
of a business plan					
Describe the					
importance of using a					
business plan for the					
business users					
Describe the cover					
page plan					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe the executive summary plan					
Describe the business description plan					
Describe production plan					
Describe marketing plan					
Describe staffing plan					
Describe financial plan					
Describe the implementation plan					



	Knowledge		Skills		Attitudes
	Define the term business plan	1.	Differentiate business plan and project plan	1.	Always use a business plan in your entrepreneurial
k	Explain the difference between a business and a project.	2.	Designing a business plan template	2.	activities. Being transparent while developing a business.
3. [Describe the importance of using a business plan for the business users	3.	Designing a production plan	3.	Demonstrate teamwork spirit while working
	Describe the cover page olan			4.	Consider the business professional ethics while designing business plan template
	Describe the executive summary plan			5.	Exhibit the ethical behavior while designing the business plan template
	Describe the business description plan				
	Describe production plan				
	Describe marketing plan				
	Describe staffing plan				
	Describe financial plan Describe the				
i	mplementation plan				



Read and answer the following questions

- 1. How can you define the term business plan?
- 2. Differentiate business plan and a project plan
- 3. Describe the following elements of business plan:
 - a. Cover page plan
 - b. Executive summary plan
 - c. Business description plan
 - d. Production plan
 - e. Marketing plan
 - f. Staffing plan
 - g. Financial plan
 - h. Implementation plan
- 4. Describe the important of a business plan to:
 - a. Internal users
 - b. External users

Topic 1.1: Introduction to the business plan

Activity 1: Problem Solving

Task 2

- 1. Explain the meaning of the following terms:
 - a. Business
 - b. Project plan
 - c. Business plan
- 2. What should be the importance of business plan to business?
- 3. Discuss the following users of the business plan:
 - a. Internal users
 - b. External users?

Key Facts 1.1a: Introduction to the business plan

• Definition of a business plan concepts.

The business	The project
- Refers to any business activity of	- Refers to any work undertaken
buying and selling goods and	under a business organization
services with the purpose of	ranging from manufacturing,
making profit	trading or service industry of
	various goods or services.
A business plan	Project plan
- Outlines how a business is	- Is a document that outlines a
organized, sales and marketing	specific project, what must be
strategies, business goals and a	accomplished in the project,
host of other details about a	resources needed, dates and
host of other details about a business.	resources needed, dates and timelines and goals, etc.

procedures of implementing or carrying out a business. It is designed to guide the implementation of a business.

• Users of the business plan

There many users of a business plan depending on the information needed by each user. There two (2) types of business plan users. **Internal** and **external** users.

✓ Internal users

Internal users of the business plan are all people within a business who use information provided by the business plan with the purpose of better performance

- **Business owners (entrepreneurs)**: the entrepreneur needs a business plan for various reasons which include the following:
 - To create a new business.
 - Better understanding of competition.
 - To assess the feasibility of the business.
 - To determine business financial needs.
 - o To reduce the risk
 - To judge the success of a business.

Managers:

- Allow a business to operate more efficiently and to be able to achieve its goals.
- Business plan helps managers allocate scarce resources appropriately.
- It enables managers to control the different aspects of their projects.
- Business plan also provides the framework for measuring the progress
 of the different processes and tasks.

Employees

- The business plan helps the workers to determine production targets that they have to achieve within set periods.
- The business plan gives the employees assurance about the duration of their employment.
- The organizational plan helps define tasks and responsibilities of each of the workers and so helps reduce conflict.

 The business plan helps employees to know the mission and vision of the enterprise.

✓ External users

External users of the business refer to the people outside of the business who need information provided by the business plan for decision making purpose. These includes:

Financial institutions

- To determine the risks of making loans
- Business plan is tool banks will use to examine business owner character, capacity, collateral, capital, and conditions (the five Cs of credit)
- o Help to determine a business credibility.

Investors

- It helps to attract investors.
- o It helps investors understand business vision and mission.
- It helps them to know targeted market.

Importance of the business plan to its users

✓ To the entrepreneur

As an entrepreneur, before you start a business, you need to prepare the business plan because it helps you to:

- ♣ Decide if you should start your business or not. Starting a business will change your life completely. Therefore, you need to make sure that you make the right decision. The Business Plan will help you to judge whether or not starting a business is the right decision.
- ♣ Organize your ideas so that you will see how to start and run your business in the best possible way. The Business Plan follows a standard sequence of relevant topics which will help you to visualize the road ahead.
- ♣ **Present** your Business Plan to investors or to a lending institution, such as a bank or a microfinance institution, to obtain a loan. By preparing the Business Plan yourself, you will be able to answer most of the questions they may ask.

✓ To employees

It provides the information about job security

- It helps to determine production targets.
- It helps to define tasks and responsibilities.
- It helps to know the vision and mission of enterprise.



Activity 2: Guided Practice



Read and answer to the following questions

1. Fill the following table about importance of business plan by matching the description and its concept

Importance	Users		
	Employee	Entrepreneur	
Decide if you should start your			
business or not			
It helps to define tasks and			
responsibilities.			
Organize your ideas so that you will			
see how to start and run your			
business in the best possible way			
It helps to know the vision and			
mission of enterprise.			

- a. Differentiate business plan from the project plan
- b. Who needs a business plan?





As a graduate students or trainee who have acquired knowledge and skills related to the business, you are invited by the local leaders to train the community people who are running business to plan activities for their business. To convince them to design a business plan you need to provide a lot information.

To convince them to design a business plan you need to develop the training content that contain the following information:

- 1. The meaning of the business plan
- 2. The importance of the business plan
- 3. Users of the business plan

Topic 1.2: Elements of the business plan.

Activity 1: Problem Solving

Task 5

In referring to the activity 3 task 4, answer the following question:

- 1. Describe the following elements of the business plan:
 - a. Business idea generation
 - b. The executive summary
 - c. Description of the business
 - d. Production plan
 - e. Marketing plan
 - f. Staffing plan
 - g. Financial plan

Key fact 1.2.a: Elements of the business plan.

Description of introductory part of the business plan

Introduction

A Business Plan should cover all the important aspects to be considered before starting a business.

✓ Title/cover Page:

The title/cover page: Is the cover page is the first impression of a business for interested parties or investors. The purpose of a cover is to tell the reader what the document is about.

The cover page includes the following:

- Business name
- Business logo
- Product mark
- Address including: Location, telephone, fax, email and company website, etc.
- Name of person who developed the business plan
- In which day, month and year plan is issued.

The look/format of a cover page

BUSINESS PLAN Logo of the business
Name of the business:
Business owner's name:
Address:
Mobile phone:
E-mail address:
P.O. Box:
Date:

- ✓ **Table of contents:** Table of content cover the list of all business plan content. The table of contents allows to easily refer to sections within the plan. It is a quick overview of the document's content.
- ✓ Business idea: All business plans are based on an idea. You need to think about the concept of your business idea so that you can put your idea in writing at the beginning of your Business Plan. A business idea is a short and precise description of the basic operations of the business:
 - What good or service will your business sell?
 - Who is your business going to sell to?
 - How is your business going to sell its goods or services?
 - Which need will your business fulfil for the customers?
 - ♣ What impact will your business have on the community and the natural environment?

The type businesses are explained below:

- ✓ **Agri-businesses:** These are businesses involved in the growing of crops and rearing of animals with the aim of making profits. Basically, agri-businesses are carried out with the aim of producing food, meat, milk, eggs for sale.
 - Examples of agri-business in Rwanda include crop production, livestock farming, horticulture farming, olericulture, apiculture, aquaculture.
- ✓ Manufacturing/Secondary business: Manufacturing businesses process raw materials into finished goods. They take raw materials from agri-business and process them into finished goods that can be used by the final customers.
 - Examples of manufacturing enterprises include textile manufacturing, beverage manufacturing, ago-processing business, extractive business

Examples include: Oil and gas extraction businesses, mining and quarrying businesses.

✓ Trading businesses/Enterprises. These businesses are also known as
commercial businesses. They deal in the buying and selling of goods. These
businesses also involved in distribution facilities.

There are two main types trading businesses:

- Retail trading
- Wholesale trading Service businesses/enterprises.

✓ Service businesses:

Service businesses are business organization that provide intangible products or benefits that satisfy customers' needs in exchange of an acceptable compensation.

Examples of services that may be rendered include, transports, warehousing, insurance, banking, beautification, communication and legal services.

A service enterprise offers work that is performed in an expert manner for its customers.

The format of a business idea Name of the business: Type of business: The business is going to provide the following products: The customers will be: The business will sell in the following ways: The business/restaurant will satisfy the following needs of the customers: My personal motivation to retain this business idea is: ✓ Executive Summary The purpose of executive summary is to summarize the key points of a business plan for its readers, saving them time and preparing them for the upcoming content. One will therefore, need to complete all the other parts of the plan before doing the executive summary. It must be clear and organized; because it is the first impression, one gets of your business idea. The executive summary of the business highlights the following: Name of the business Contact address Legal form of the business

Owner of the business

- Type of business
- Manager
- Sources of start-up capital
- Staff

The format of the executive summary

Name of the business:	
Contact Address:	
• District:	
• Sector:	Legal form:
• Cell:	
• Village:	Owner:
Type of business:	Manager:
Customers:	
Sources of start-up capital	Amount
Staff:	

✓ Description of the business

The business description section of a business plan is another section, coming after the executive summary. The business description outlines vital details about your company.

The business description outlines vital details about your company, such as:

- History of the business
- ♣ Structure of the business/hierarchy the needs of the market the business intends to satisfy. Vision, mission, goals and objectives
- ♣ The successful business plan should explain the reasons why a business being planned will operate. The reasons behind any business operation may be highlighted in either short term, mid-term or long-term goals.

 Mission statement: A clear mission statement represents the purpose of your business.

 Objectives: An outline of what you want to accomplish in the mediate future based on the data in the rest of the business plan as well as future growth goals.

• **Vision statement:** Is about how you envision the future of the company.

✓ Competitive advantage of the business

✓ SWOT analysis of the business.

SWOT stands for:

S: Strength

W: Weakness

O: Opportunity

T: Threats

✓ SWOT analysis is explained below:

♣ Strength of the business are things within the business that give it advantage over other businesses such as product quality, convenient and good location, qualified personnel, good customer service, sufficient working capital, and adequate production capacity, modern technology, skilled motivated staff, etc.

■ Weaknesses of the business are things within the business that limit its capacity and competitiveness such as poor product quality, poor product image, insufficient working capital, inadequate production capacity, having outdated technology, having unskilled staff, small distribution network, etc.

♣ Opportunities of the business are things outside of the business that are likely to benefit the business such as high population growth rate, international and national events, invention of new technology, new favorable government policies (e.g. waiving of income taxes from educational institutions and farmers), favorable changes in consumer tastes and preferences, possibility of securing a big order, reduction in poverty levels, etc.

♣ Threats to the business are things outside the business that are likely to negatively affect the business such as entry of new competitors, political instability, world insecurity or terrorism, increased taxation, unfavorable government policy, changing customer tastes and preferences, etc.

Format of the description of the business plan

Description of the business					
a.	History of the business				
b.	Structure of the business/hierarchy				
 с.	Mission, vision and objectives of the business				
c.	iviission, vision and objectives of the business				
••••					
••••					
d.	Business competitive advantage				
e.	The needs of the market the business intends to satisfy.				
f.	The analysis of Strength, Weakness, Opportunity and Threats (SWOT) of the				
	business.				
••••					

Key Facts .1.2. b Production plan.

Production plan

Production plan is the guideline to create and monitor output of a product and how that output affects other parts of a business plan such as marketing, sales and logistics. A production plan is used to maximize the efficiency of company resources and to establish benchmarks for future projects.

Production plan highlights the following:

- ✓ Location of the business (Business premises)
 - The business premises show the following:
 - Location and reason of the choice
 - ♣ Factors to consider in deciding the location of the business include:
 - ♣ Distance to your customers and suppliers
 - Access to the transportation network
 - Security
 - Labor availability
- ✓ **House or land for the production**: Show a brief status of the cost whether rented, leased or own premises and the costs associated with it
- ✓ Production utilities required such as electricity, water, telephone,
- ✓ Branding and Packaging is very important because plays a vital part in attracting customers.
- ✓ Branding is a marketing strategy used to develop a distinct name, image or logo of a product to attract the attention of the customers.
- ✓ Packaging: refers to the process through which the container, packet, wrapper or cover for enclosing a product is designed, evaluated and produced.

The main objectives of packaging include the following:

- Equipment and machinery to be used in the business
- Lab our and safety requirements
- Expected output Brand identification
- Serving as a means of communicating information the product, including descriptive as well as persuasive information

Quality control and on-going services.

Quality refers to the ability of a product or service to satisfy the needs of customer.

Quality control (QC) is a procedure or set of procedures intended to ensure that a manufactured productor performed service follows to a defined set of quality criteria or meets the requirements of the client or customer.

Format of the production plan

1.	Product description				
	a. Name of the product:				
	b. The quality of the product:				
	c. Functionality of the product:				
2.	st of equipment, tools and machinery:				
	✓				
	✓				
	✓				
3.	Production process plan, operations and competing technology.				
	✓				
	✓				
	✓				
4.	List of suppliers of raw materials, equipment, tools and machinery				
Th	e suppliers of raw materials include the following:				
	✓				
	✓				
5.	Quality control plan:				
	✓				
	✓				
6.	Type of labor/employees needed to produce the products (skills,				
	Knowledge and attitude).				
	✓				
	✓				

Key Facts 1.2.c: Marketing plan.

Introduction

As an entrepreneur, you need to understand that marketing is an important part of starting and running a business. It helps you to sell your goods or services in the right way and to the right people. Marketing is the ability to identify the needs of potential customers and to satisfy those needs better than your competitors, in order to make a profit.

In your marketing plan, you are required to write down the following:

✓ Market research

You need to emphasize on identifying the needs of potential customers and find out how their future comptetitors have been satisfying those needs.

Format of a market research

Products	Customers	Needs and preferences of customers	Competitors	Gaps (That competitors have not fulfilled)
Product 1				
Product 2				
Product 3				
Product.4				

✓ Market segmentation

Market segmentation or customer segmentation is the process of dividing a consumer or business market into meaningful sub-groups of current or potential customers known as segments.

A market segment is a group of people who share one or more common characteristics, lumped together frmarketing purposes.

Types of Market Segmentation

Demographic Segmentation

Demographic segmentation refers to splitting up audiences based on observable, people-based differences.

Example: age, sex, marital status, family size, occupation, educational level, income, nationality and religion.

- Behavioral Segmentation: You can also segment your market based on consumers' behaviors, especially regarding your product.
- Geographic Segmentation: Geographic segmentation, splitting up your market based on their location. A customer's location can helpyou better understand their needs and enable you to send out location-specific ads.
- Psychographic Segmentation: Psychographic segmentation is similar to demographic segmentation, but it deals with characteristics that are more mental and emotional.

✓ Marketing objectives

Marketing objectives are goals set by a business when promoting its products or services to potentialconsumers that should be achieved within a given time frame.

Some objectives a business predict to achieve include:

- Increases market share
- Increase sales and/or revenue
- Target new customers
- Retain existing customers
- Promote new products or Services
- Increase brand awareness
- Increase Profit

Format of the market segmentation

Product	Demographic	Behavioral	Geographic	Psychological
	segmentation	segmentation	segmentation	segmentation
Product 1				
Prroduct 2				
Product 3				
Product 4				

✓ Marketing strategies

Marketing strategy is the comprehensive plan formulated particular for achieving the marketing objectives of the organization.

Some types of marketing strategy are the following:

- ♣ Niche marketing: this is a strategy that focuses on a small geographic region or market. For exmple gender, age
- ♣ Social media marketing: This refers to the efforts designed to estalish and incsrease brand awareness by using social media. For example using youtube, ticktock, email,
- Cross promotion marketing: is marketing strategy or an advertising technique that integrates existing contacts or audiences to incentivize and promote additional sales or services to existing customers.
- ♣ Trade show marketing: It is the entire process of planning and executing a campaign to convert visitors to buyers. It is effective methods of generating leads, sales and exposure for both customers and businesses. For example: exhibition
- ♣ Freebie marketing: is a promotional strategy where businesses offer complimentary products, services or valuable resources to their target audience without any const. for example a free product offer, if you buy a bottle of liquor, you get two glassess for free.

Format of marketing strategies

Name of the business: Type of the Business: Marketing strategies Observation Niche marketing Social media marketing Freebie marketing

✓ Description of marketing mix

The marketing mix are described through:

✓ Marketing plan Product: You will attract more customers if your product is certified by reputable organizations. Your products should be sescribed in terms of quality, colour, size, packaging, certification.

Format of marketing plan "Product"

Marketing plan Product						
Goods, Services and range of products						
Product 1 Product 2 nProduct						
Quality						
Color						
Size						
Packaging						
Certification						

- ✓ Marketing plan Price: Price is the amount you will charge your customers for your goods or services. Price also includes any discount you will give and if you are going to offer credit. There are many factors that you must consider before setting your price. To set your prices you have to:
 - ♣ Be aware of how much customers pay for a similar product and then decide how much extra they would pay for fulfilling any specific unmet need supplied by your product.
 - ♣ Know the highest and lowest prices charged by the competitors, so you will have a better idea of the prices you can charge for your product.
 - ♣ Know the cost of your products so you can set a price that is above your cost.

Format of marketing plan "Price"

Goods, services or range of products	Product 1	Product 2	N Product
Cost			
The price that customers are willing to pay			
Competitors' price			

Our price			
Reasons for setting this price			
Discount will be given to the following customers			
Reason for giving discounts			
Credit will be given to the following customers			
Reason for giving credit			
✓ Marketing plan Place			,
Place is a location for your business. If your b	ousiness is n	ot located w	here vour

Place is a location for your business. If your business is not located where your customers are, you need to find ways to get your products to the customers. This is called **distribution**. Choose between **direct distribution** (the selling your products directly to the customers), **retail distribution** (the selling your products to shops and stores who then sell to the customers) or **wholesale distribution** (the selling your products in very large quantities to wholesalers who then sell them in small quantities to retailers to sell to consumers.

Format of marketing plan "Place"

	mat of marketing plan Trace
Location :.	
•••••	
This location	on is chosen for the following reasons:
The month	nly cost of this lotion is:the cost includes:
Method of	f distribution:
The busine	ess will to:
Direct	
Direct	Retail Wholeslae Other(specify):
This metho	d of distribution is chosen for the following reasons:
✓	Marketing plan Promotion
	Promotion means informing and attracting customers to buy your goods or
	services.
	Use the following ways to inform and attract customers:

- ♣ Direct marketing means communicating directly to the customers through different forms, such as direct email, telephone sales, text messages via cell phones, emails, interactive websites, forums and fan pages.
- ♣ Advertising is giving information to potential customers to make them interested in buying your goods or services, such as advertisements on newspapers, magazines, television, radio and outdoor billboards, blogs, websites, social media or pop up advertisements.
- ♣ Publicity is gaining visibility with the public through sponsorship of some charity or organizing a debate about environmental issues or an awards ceremony. In comparison to advertising, publicity is inexpensive and more credible.
- ♣ Sales promotions are incentives to simulate immediate sales, such as coupons, samples, premiums, point of purchase displays, contests, rebates and sweepstakes.

Format of marketing plan "Promotion"

Means	Details	Costs	
Direct marketing			
Advertising			
Publicity			
Sales promotion	Sales promotion		
Total	Total promotion costs		

✓ Marketing plan People

People: From a marketing point of view, the term "People" refers to the question: "Who will develop the unique characteristic that differentiates your

product?" For example, if you decide to provide better customer service than the competitors, you will need staff who are customer-oriented. It means they should be responsible, patient, flexible, sympathetic and enjoy working with different people.

For your Marketing Plan people, you will need to:

- ♣ Decide the criteria for recruiting people to fill those key positions.
- ♣ Plan relevant training and coaching for people in the key position

Format of marketing plan "People"

Position	Recruiting criteria	Training plan

✓ Ongoing marketing evaluation

Techniques used after the marketing plan period to analyze success in achieving individual marketing objectives and to more broadly assess the entire organization's marketing efforts.

Format of marketing evaluation

Marketing objectives	Status	Observation
Market size		
Average price (by customers)		
Customers' buying habits		
Sales level		
Profit level		

✓ Marketing budget

What will be the cost of marketing activities?

Marketing budget gives a clear overview of all the costs associated with carrying out your marketing activities, including advertising, online content, branding, public relations, staffing costs and more.

Format of marketing budget

No	Marketing activity (Sales promotion,	Amount (Frw)
	Advertisment, Free Wi-Fi, Transport)	
1		
2		
3		
4		
5		
	Total	

Key Facts 1.2.d: Staffing plan.

Introduction

Staff or employees are the persons who work for the business in return for a wage or salary. They may be skilled, semi-skilled and unskilled.

For planning the business staff this include:

√ Job description

A job description is a written explanation that outlines the essential responsibilities duties for a vacant position.

Includes the following in job description:

- Job title
- Job objective or overall purpose statement
- Brief of the general nature and level of the job
- List of duties or tasks to be performed
- Job location
- Job Salary range.
- ✓ Job specification constit to the person who is eligible to occupy the specific job position.

This include:

- Education level an background
- Work experience
- Skills, knowledge and attitude
- Ntionality
- Martal status if applicable
- Gender

Format of business stff plan.

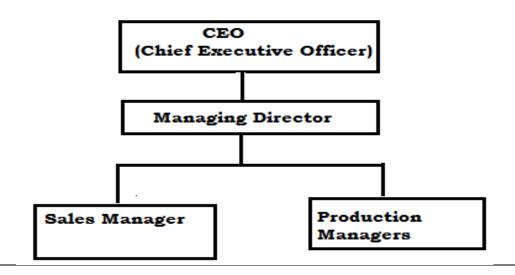
Business department 1 (Marketing, production, finance,)			
Position 1	Job description		

	Job specification
Position 2	Job description
	Job specification
	Business department 1 (Marketing, production,
	finance,)
	Job description
	Job specification

✓ Description of the organization structure.

Organisational structure describe the level of authorit and subordination in the business.

Format of an organisation structure



Key Facts 1.2.e: Financial plan.

• Introduction

It is a document that describes your current financial status, your financial goals and when you want to achieve them, and strategies to meet those goals.

The financial plan also shows the revenues and expenditures of the business.

When you start your new business, these two things are very important:

- a. Do not run out of cash
- Make sure that the operation you have created will eventually become profitable

Use the following steps to plan the financial situation of your business:

- ✓ Estimation of total cost.
 - ♣ Start-up costs: Before starting new business, you have to prepare start-up budget which shows the expected sources ofmoney and how the money will be spent.
 - ♣ A start-up budget is an itemized list of income and expenses for a new business.

The start up cost is prepared using the following:

♣ Capital investment or pre-operation payment: This means money that a person starting a businesswill have to pay before his business starts operating.

Example: Buying land, building house for business, legal fees, license fees, insurance etc.

♣ Working capital or initial operation payment: These are payments that take place when the business starts to operate to cover immediate expenses until revenues from sales flow back into the business.

You will neeed working capital to cover:

- Stock of raw material.
- Promotional activities
- o Rent
- Insurance
- o Loan
- Other costs.

✓ Source of funds.

Possible sources funding include the following:

- Own savings
- Partners
- Family contribustion
- Friends contribution

- Money lenders
- ♣ Credit co-operative
- Government schemes
- **4** Bank loan.

Use the following template to design the start-up capital for your own business

Use the followig template to prepare source of capital

START-UP COST				
Investments	Amount			
Business premises				
Construction or purchase of a				
building				
Conversion or reconstruction of				
business premises				
Equipment				
Machinery and Tools				
Furniture				
WORKING CAPITAL				
Stock of raw materials or finished				
goods				
Licenses and fees				
Marketing expenses				
Salaries				
Rent				
Electricity and water				
Contingency for emergency				
TOTAL START-UP CAPITAL				
Sources of start-up capital				
Owner's equity				
Other sources				
Total (must be the same amount as the				
required start-up capital)				
Collateral (if applying for a loan)				
✓ Estimation of the projected pro	ofit/income of the business.			
Profit is the amount of money I	eft after you have subtracted all the costs of			
your husiness from its total sale	oc			

Follow these steps to estimate the profitability of the business:

- **♣ Develop the sales plan:** A sales plan shows the sales your business is likely to have each month.
- **♣ Develop the cost plan:** A cost plan shows the the money your business is likely to spend on busiess activites each month.

To make such a plan you need the **Variable Cost per item and the total Fixed Cost per month** of your business which can be obtained when you do costing for a good or service. You also need to know the quantity of goods or services your business will produce per month.

N.B: The profit plan shows the profit your business is likely to have each month.

Profit is calculated as follows:

SALES —	COSTS	=	PROFIT
---------	-------	---	--------

Before making a profit plan, you must make both sales plan and cost plan for your business.

Cost plan

Fixed cost for each mnoth

Details	Cost per month(Frw)
Rent	
Insurance	
Electricity	
water, including waste water	
Trade licenses	

Product	Details	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Total
Product I:	Production volume													
	Variable Cost per item (RWF)													
	Total Variable Cost (RWF) (I)													

T				1	1	1			1
Product 2:	Production volume								
	Variable Cost per item (RWF)								
	Total Variable Cost (RWF) (2)								
Product 3:	Production volume								
	Variable Cost per item (RWF)								
	Total Variable Cost (RWF) (3)								
Product 4:	Production volume								
	Variable Cost per item (RWF)								
	Total Variable Cost (RWF) (4)								
	able Cost of ss (RWF)(5) = 3) + (4)								
Total Fixed	Total Fixed Cost (RWF) (6)								
Total cost (+ (6)	Total cost (RWF) (7) = (5) + (6)								

Total variable cost for each product= Production volume X Variable cost per item

Sales Plan

Sales value= Sales volume X sales price

Profit Plan

A profit plan shows the profit your busines is likely to have each month. To design a profit plan you need to follow the following steps:

- o Get information form your sales plan and cost plan
- o Put the information in the profim paln form
- Do the calculations on the profilt plan to find the likley gross and net profit for your business in the first year.

Jan	Feb	Mar	Apr	Мау	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Jan	Jan Feb	Jan Feb Mar	Jan Feb Mar Apr	Jan Feb Mar Apr May	Jan Feb Mar Apr May Jun	Jan Feb Mar Apr May Jun Jul	Jan Feb Mar Apr May Jun Jul Aug	Jan Feb Mar Apr May Jun Jul Aug Sep	Jan Feb Mar Apr May Jun Jul Aug Sep Oct	Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov	Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

✓ Estimation of projected cash flow statement.

Cash flow statement shows how much cash you expect to come into and go out of yout business ach month. The cash flow plan helps you to make sure that your business does not run out of cassh at any time.

Increasing cash inflow through:

- Increasing sales
- Giving less customer credit
- Using a bank overdraft
- Selling an investment item
- Asking a friend or family for money

Decreasing cash outflow through:

- Reducing operational costs
- Identifying a cheaper supplier
- Negotiating supplier credit
- Negociating an extension of the loan period.

Cash flow plan template

(Unit: RWF)												
Details	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
I. Cash at the beginning of themonth (I)												

Т		2 Cash (1221)		1		I			г
П		2. Cash from							
		cash sales					 		
		3. Cash from							
		credit sales							
		4. Other cash in							
		5. Total cash in							
		(2)							
H		6. Purchase of							
		goods							
		7. Payment of							
		wages							
		8. Purchase of							
		equipment							
		9. Loan							
		repayment							
	_	10. Other							
	CASH OUT	payments							
	10								
	ΔSI	11. Total cash							
	Ü	out (3)							
		12. Cash							
		at month							
		end(4) =							
		(I) + (2) -							
[(3)							

✓ Estimation of projected balance sheet.

A balance sheet is a financial statement or report which indicates what you own and what you owe on anygiven day in the life of a business. The balance sheets simply shows the aseets, liabilities and capital (Owners Equity).

Use the following steps to estimate projected balance sheet:

Step1: Estimate the assets of the business: They are resources or properties owned or possessed by a business that aid in the generation of income or facilitates business operations.

There are two main categories of assets namely:

 Current assets: These are assets that used in the period not later than one year. They include cash at hand, cash at bank, debtors (what people owe you) and inventory or stock, etc.

✓ Balance sheet format

FIXED ASSETS	Amount	Amount	LIABILITIES	Amount	Amount
	(Frw)	(Frw)		(Frw)	(Frw)
Land			Long		
			Term		
			Liabilities		
Building			Bank loan		
Equipment			Creditors		
Machinery			Current		
			Liabilities		
Total fixed			Total		
asset			Liabilities		
CURRENT					
ASSETS					
Stock			OWNER'S		
			EQUITY		
Cash			Capital		
			Add: Net		
			profit		
Cash					
Total			<u>Less:</u>		
Current			Drawings		
Assets					
Total			Total		
Assets			Liabilities		
			and		
			Owners		
			Equity		

Calculation of Break –Even Point Break Even Point (BEP): At which point your business, product will become financially viable?

Break-Even Point (BEP) is that point of sales volume at which total revenue is equal to total costs. It is a no-profit, no-loss point.

Break Even Point can be calculated in two ways:

- o Break Even sales/Value
- o Break Even Quantity (Units)

Use the following steps to estimate Break Even point:

Step 1: Calculate Fixed costs incurred by the business

Step 2: Calculate the sales revenue/unit

Step 3: Estimate variable cost/unit.

Fixed Cost
Break-Even Units =

Selling Price per Unit-Variable cost per Unit

Fixed Cost X Selling Price per Unit

Break-Even Sales=

Selling price per Unit-Variable cost per Unit 1

✓ Pay Back Period

- ♣ Payback period is the time in which the initial cash outflow of an investment is expected to be recovered from the cash inflows generated by the investment.
- ♣ Payback period refers to the period of time required to recoup the funds used in an investment, or to reach the break-even point.
- Use the following steps to estimate Payback Period

Step 1: Estimate Initial Investment

Step 2: Estimate Cash Inflow per Period.

When cash inflows are **uneven**, we need to calculate the cumulative net cash flow for each period and then use the following formula for payback period:²

Pay Back Period = A+ $\frac{B}{C}$

In the above formula,

- A is the last period with a negative cumulative cash flow;
- B is the absolute value of cumulative cash flow at the end of the period
 A;
- o C is the total cash flow during the period after A

You may also use the following formula:

Years before full recovery + (Unrecovered cash flow at the beginning of

42 | ENTREPRENEURSHIP - TRAINEE'S MANUAL

¹ https://www.youtube.com/watch?v=KmU2tkd1tfE&t=1s

² https://www.youtube.com/watch?v=lfyjasinZdY&t=15s

full recovery year/cash flow during the full recovery year X 365/1). Rule: Accept the project only if it's payback period is less than the

target payback period.



Activity 2: Guided Practice.



- 7. Describe the following elements of the business plan:
 - a. Business idea generation
 - b. The executive summary
 - c. Description of the business
 - d. Production plan
 - e. Marketing plan
 - f. Staffing plan
 - g. Financial plan



Activity 3: Application



Read the scenario and answer to the following question

Scenario: As a graduate students or trainee who have acquired knowledge and skills related to the business, you are invited by the local leaders to train the community on the elements and format of the winning business plan so that the people can use such knowledge for applying for loan to start small businesses.

Arrange the elements of business plan in the good format that can be filled by the community members and easily interpreted by money lenders, investors or funders.



- 1. Select the correct definition of the term business plan
 - a. The business plan refers to the process of preparing the invoices that will be paid by the debtors
 - b. The business plan refers to the document written to show all required effort to prepare the stationery
 - c. The business plan refers to the written document designed to guide the implementation of a business.
 - d. All of the above.
- 2. Mr KAMANA wishes to start the project of distributing the electricity in Agatebe Village. It's expected that the project will last the period of 6months. He wishes that every family in the Agatebe Village will have electricity.

Required: what are the elements in the scenario that differentiating business from the project?

3. Design the structure (that includes all elements of a business plan) of the business plan that Mr Kamana would have used if the distribution of electricity in Agatebe village is a business.



Points to Romamber

- A business plan is a written document describing in detail the objectives, goals, and procedures of implementing or carrying out a business. It is designed to guide the implementation of a business.
- As an entrepreneur before to start your busniess you need to write your business plan because I will helps you to:
 - ✓ **Decide** if you should start your business or not. Starting a business will change your life completely.
 - ✓ **Organize** your ideas so that you will see how to start and run your business in the best possible way.
 - ✓ **Present** your Business Plan to investors or to a lending institution, such as a bank or a microfinance institution, to obtain a loan.
- While describing the business plan elements, you must conieder all information needed by different busness plan users.



- 1. Fill in and complete the self-assessment table below to assess your level of knowledge, skills and attitudes after covering this unit.
- 2. There are no right or wrong ways to answer this assessment. It is for your own reference and self-reflection on the knowledge, skills and attitudes acquisition during the learning process.
- 3. Think about yourself:
 - a. Do you think that you have knowledge, skills or attitudes to do the tasks?
 - b. How well?
- 4. Read the statements across the top. Put a check in a column that best represents your level of knowledge, skills and attitudes.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Define the business idea.					
Explain the difference between a business and a project.					
Design the business plan template					
Always use a business plan in your entrepreneurial activities.					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Being transparent					
while developing a					
business.					
Design the business					
plan template					
Differentiate business					
plan and project plan					
Describe the					
importance of using a					
business plan for the					
business users					
Demonstrate					
teamwork spirit while					
working in group					
Identify the elements					
of a business plan					
Describe the					
importance of using a					
business plan for the					
business users					
Describe the cover					
page plan					
Describe the executive					
summary plan					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe the business description plan					
Describe production plan					
Describe marketing plan					
Describe staffing plan Describe financial plan					
Describe the implementation plan					
Define the business idea.					
Explain the difference between a business and a project.					
Design the business plan template					
Always use a business plan in your entrepreneurial activities.					
Being transparent while developing a business.					

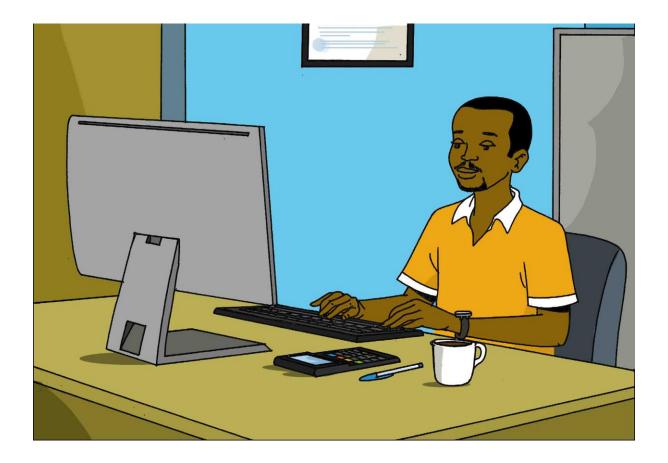
My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Design the business					
plan template					
Differentiate business					
plan and project plan					
Describe the					
importance of using a					
business plan for the					
business users					
Demonstrate					
teamwork spirit while					
working in group					
Identify the elements					
of a business plan					
Describe the					
importance of using a					
business plan for the					
business users					
Describe the cover					
page plan					
Describe the executive					
summary plan					
Describe the business					
description plan					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe production plan					
Describe marketing plan					
Describe staffing plan					
Describe financial plan					
Describe the implementation plan					

5. Fill in the table above and share results with the trainer for further guidance.

Knowledge	Skills	Attitudes
1.	1.	1.
2.	2.	2.
3.	3.	3. .

UNIT 2: WRITE A BUSINESS PLAN.



Unit Summary

This unit provides you with the knowledge, skills and attitudes required to write a business plan required to develop business plan. It covers the design of business plan introductory part, design of business production plan, design of marketing plan, development of business staffing requirement plan, design of business financial plan.

Self-Assessment:

- 1. Referring to the unit illustration above, discuss the following:
 - a. What do pictures above illustrate?
 - b. What a person is doing?
 - c. Based on the illustration, what do you think will be covered under this unit?
- 2. Fill and complete the self-assessment table below to assess your level of knowledge, skills and attitudes under this unit.
 - a. There is no right or wrong way to answer this assessment. It is for your own reference and self-reflection on the knowledge, skills and attitude acquisition during the learning process.
 - b. Think about yourself: Do you think you have the knowledge, skills and attitudes to do the task? How well?
 - c. Read the statement across the top. Put a check in a column that represents your level of your knowledge, skills and attitudes
 - d. At the end of this unit, you will re-assess yourself.

My experience	I do not have any	I know a little	I have some experience	I have a lot of	l am confident
Knowledge, skills and attitudes			doing this.	experience with this.	in my ability to do this.
Identify business idea					
Describe a business					
idea for the business					
Describe the process					
of marketing research					
and market analysis					
Identify types of					
business					
Identify SWOT analysis					
of a business.					

My experience	I do not have any experience doing this.		I have some experience	I have a lot of	I am confident
Knowledge, skills and attitudes		about this.	doing this.	experience with this.	in my ability to do this.
Describe the business					
premises and plant					
location					
Describe the					
production process					
and raw materials					
required by the					
business					
Identify the quality					
control and ongoing					
service by the business					
Describe market					
research and Market					
Analysis for the					
business					
Develop the					
competition analysis					
and market					
segmentation for the					
business					
Develop marketing					
objectives and Product					
description.					
Design the marketing					
mix for the business					

My experience	I do not have any	I know a little	I have some experience	I have a lot of	I am confident
Knowledge, skills and attitudes	experience doing this.	about doing this.		experience with this.	in my ability to do this.
Develop of market					
Strategies, On-going					
marketing evaluation					
and Marketing budget					
for the business					
Describe the					
organization culture					
Describe the steps to					
estimate the total cost					
of the business					
Estimate the total cost					
of the business					
Estimate of projected					
cash flow,					
Estimate of projected					
income statement					
Estimate of projected,					
balance sheet.					
Calculate payback					
period and breakeven					
point.					



Knowledge	Skills	Attitudes
1. Identify business idea	1. Design a	Demonstrate teamwork spirit
and market for the	business idea for	while working in group.
business.	the business.	
2. Describe market	2. Design market	2. Use environmentally friendly
research and market	research for the	tools in the market research.
analysis	business.	
3. Describe the production	3. Design the	3. Consider the business
process and raw	production plan	professional ethics while
materials required.	for the business	designing business plan
		template.
4. Describe a financial plan	4. Make a financial	4. Demonstrate teamwork
for the business.	plan for the	spirit while working in group.
	business.	



Discovery activity:



- 1. Read and answer to the following questions
 - a. Describe the business premises and plant location
 - b. Describe the production process and raw materials required by the business
 - c. Identify the quality control and ongoing service by the business
 - d. Describe market research and Market Analysis for the business
 - e. Develop the competition analysis and market segmentation for the business
 - f. Develop marketing objectives and Product description.
 - g. Design the marketing mix for the business
 - h. Develop of market Strategies, On-going marketing evaluation and Marketing budget for the business
 - i. Describe the organization culture
 - j. Describe the steps to estimate the total cost of the business
 - k. Estimate the total cost of the business
 - I. Estimate of projected cash flow,
 - m. Estimate of projected income statement
 - n. Estimate of projected, balance sheet.
 - o. Calculate payback period and breakeven point.

Topic 2.1: Design of business plan introductory part of the business plan





Task 9:

Ms Keza is a you graduate from TVET School in Culinary Arts. After her school she decided to put in practice what she learnt and decide to open a restaurant in her village in Masoro sector that provide different services including delivery.

- 1. Read and answer to the following question:
 - a. Where did Keza get her business idea?
 - b. How can you define the business mission, vision, goal and objective of Ms. Keza restaurant
 - c. What type of businesses is Keza's business?
 - d. What are the strength and weakness should that Keza's restaurant should have?
 - e. What are opportunities and threats that Keza's business should have?

Key Facts 2.1.a: Development of the business idea and market

Introduction

All business plans are based on an idea. When you scan an environment, you see a business opportunity and thus you develop your thoughts into a business idea.

Let us have an example of how Keza has described her business idea which is restaurant.

Name of the business: Keza' Restaurant

Type of business: Service

The business is going to provide the following products

- ✓ Food
- ✓ Drinks

The customers will be:

- ✓ The staff of different public and private companies
- ✓ The staff of different public and private schools

- ✓ The people of her community
- ✓ Any person visiting in the location where business in operating

The business will sell in the following ways:

- ✓ The food and drinks will be sold to the customers from the restaurant
- ✓ The food and drinks will be delivered to bulk buyers.

The business/restaurant will satisfy the following needs of the customers:

- ✓ Provide food and drinks at affordable price
- ✓ Reducing the time, they used to obtain food and drinks through delivery.
- ✓ Provision of delicious food with standardized hygiene
- ✓ Provision of food variety in the restaurant for satisfying the customer's needs.

My personal motivation to retain this business idea is: Cooking and serving food

is my passion

An executive summary³

Executive summary gives an overview or summary of all the other sections or key elements of the business plan.

Let's see how Keza' s Restaurant has designed its business executive summary

Name of the business: Keza's Restaurant

Contact Address: Tel: +250708000000

• **District:** Rulindo

Sector: Masoro Legal form: Sole proprietorship

• **Cell:** Kigarama

• Village: Nyakabungo Owner: Ms. Keza

Type of business: Service (Restaurant) **Manager**: Ms. Keza

Customers:

- The staff of different public and private companies
- The staff of different public and private schools
- The people of her community
- Any person visiting in the location where business in operating

https://rb.gy/unwrnf

Sources of start-up capital Amount (Frw)

 -Own savings
 2,738,000

 -Family contribution
 1,800,000

 -Bank loan
 1,200,000

Staff:

✓ Owners: Ms. Keza

✓ Managing Director: Ms. Keza

✓ Delivery: Ms. Kaliza& Mr. James

✓ Cooks: Ms. Ornella Muhire& Mr. Muneza

Development of Mission and vision, goals and objectives. The successful business plan should explain the reasons why a business being planned will operate. The reasons behind any business operation may be highlighted in either short term, mid-term or long-term goals.

Let us have an example of how Keza's Restaurant has designed its Vision, Mission and Objectives

STATEMENT OF VISION, MISSION, GOALS AND OBJECTIVES OF THE

BUSINESS

Name of the business: Keza's Restaurant

Contact address: Rulindo, Masoro Telephone: Tel: +250......

✓ District: Rulindo✓ Sector: Masoro✓ Cell: Kigarama✓ Village: Karambi

Type of a business: Service

✓ Vision of the business:

Being the first provider of the restaurant services in Rulindo district in next 5 years.

✓ Mission of the business:

Satisfying all customers of all segments

✓ Goals and objectives of the business:

Reuction of the cutomer wait to 1 minute in the Kwza's restaurant

Key Facts 2.1b: Description of the types of business

This section describe the vital detail about your business.

Lets us have an example on how Keza's restarant described her bsiness.

Name of the business: Keza's restaurant

Type of a business: Service provider

The services that are delivered by Never Starve Restaurant (NSR) include the following:

- √ ⁴Table services
- ✓ Self-services
- ✓ Counter Service
- ✓ Buffet Service
- ✓ All-You-Can-Eat
- ✓ Out side catering
- ✓ Delivering food & drinks to the customers outside.

Staff in charge of service provision: Qualification

✓ Ms. Kaliza UWINEZA Qualified in service and Hotel operation

✓ Mr. James KIDEGA Qualified in culnary Arts

The following is the SWOT analysis of Keza's Restaurant

a. History of the business

Keaza's restaurant is an service business initiated by Keza after her graduation in TVET School in Culinary Art. It is a sole proprietorship busines.

b. Structure of the business/hierarchy

Owners: Ms. Keza

Managing Director: Ms. Keza

Delivery: Ms. Kaliza&Mr. James

Cooks: Ms. Ornella Muhire&Mr. Muneza

c. Mission, vision and objectives of the business

- **Vision of the business:** Being the first provider of the restaurant services in Rulindo district in next 5 years.

a. 4 https://www.sriboga.com/news/all-about-restaurant-service:-definition-types-and-tips

- Mission of the business: Satisfying all customers of all segments
- Goals and objectives of the business: Reuction of the cutomer wait to
 1 minute in the Kwza's restaurantBusiness competitive advantage

d. Business competitive advantage

Free delivery

e. The needs of the market the business intends to satisfy.

- a. Provide food and drinks at affordable price
- b. Reducing the time, they used to obtain food and drinks through delivery.
- c. Provision of delicious food with standardized hygiene
- d. Provision of food variety in the restaurant for satisfying the customer's needs.

f. SWOT Analysis of Keeza's restaurant/.

1. Strength of the restaurant:

- a. Employing qualified workers (Cooks, Waiters and waitress and managers)
- b. Charging affordable prices
- c. Diversification of food and drinks
- d. Delivering food and drinks to the customers.
- e. Provision of quality goods (Food and drinks)

2. Weakness of the restaurant:

The current brands of the restaurant are still weak (we do not use our own brand)

Insufficient capital

3. Opportunities of the restaurant:

- a. Many customers from the area (the customers who needs different services from Masoro sector HQ, who need food and drinks in their lunch time.
- b. Private companies set up in the area whose workers need lunch.
- c. Workers of Masoro sector HQ
- d. Infrastructures like developed roads connecting Masoro sector to Kigali city.
 This enable them to get many customers.

4. Threats of the restaurant:

a. The costs of food products in Masoro sector.

- b. The known restaurants from Kigali city are still in the minds of many customers.
- c. Competition from others restaurants in the sector
- d. Increased regulatory compliance
- e. Reduced production of food products in Masoro sector.



Activity 2: Guided Practice



- 1. Describe how to writhe the following part of the business plan:
 - a. Busiess idea description
 - b. Business mission, vision, goals and objectives
 - c. Description of the business
 - d. SWOT analysis of the business



Activity 3: Application



- 1. Referring to the discovery activity (task 4) and the examples provided in the Key fact 2.1 a and Key fact 2.1 b:
 - a. Identify your own business idea by your choice
 - b. Describe your business (Identified in a)
 - c. Set the Vision, Mission, goals and objectives statement f your business idea (In a)
 - d. Describe the SWOT analysis of your business idea in (a).
 - e. Describe your business.

Topic 2.2: Design of business production plan





Task 12

1. Based on the Keza's restaurant information, Read and answer to the following questions

- a. What should be included in the production plan of Keza's restaurant?
- b. Which production process and raw materials could Keza use?
- c. Which packaging equipment required in Keza's restaurant?
- d. Which quality control measures could Keza adopt while opearing her restaurant?
- e. Where Keza will buy the raw materials, equipment and tools she will need during the production process?
- f. How Keza will maintain the quality of the business product?
- g. Describe the right mployee that Keza may hire to work in her restaurant

Key Facts 2.2: Desing of business production plan.

Introduction

Production plan is the most imporatnt part of the business plan. While design the product as an entrepreuneur, you must consider customer needs; the needs your business will satify and design your product accordinly.

Business location is among key factors that attract customer. It is necessary as an entreereneur to a convenient environment of your business.

Let us have an example on how Keza's Restaurant has designed it:

1. Product description

a. Name of the product:

Food

Drinks

b. The quality of the product:

✓ **Food**: Will be prepared using

Clean food products

- Clean utensils
- The amount of food on the plate will be sufficient to the customers.
- ♣ The spices will be too standardized to increases the food's flavor.
- ♣ The food will be preserved in food warmers to avoid coldness.

✓ Drinks:

The drinks will be standardized as they will all have S-mark.

c. Functionality of the product:

The food and drinks that will be supplied in Keza's restaurant will be in energy-providing foods, body-building foods and protective foods.

2. List of equipment, tools and machinery:

- a. Ovens
- b. Mixer
- c. Micro-onde
- d. Slicer
- e. Sharpening stones
- f. Cutting Boards
- g. Freezer
- h. Tables
- i. Chairs
- i. Plates
- k. Folks and spoons

3. Production process plan, operations and competing technology.

Production process will include the following:

- a. Ingredients/food products preparation
- b. Cleaning them using clean water.
- c. Mixing and blending using advanced blenders
- d. Cooking using ovens or gas
- e. Cooling
- f. Packaging and storage using fridge where necessary

The food produced will be preserved using refrigeration and other sensors to ensure that food is being stored and coked at proper temperatures.

4. List of suppliers of raw materials, equipment, tools and machinery

The suppliers of raw materials include the following:

- a. The local farmers
- b. The farmers in the market available in Masoro sector and the neighboring sectors.
- c. Utensils suppliers that supply utensils
- d. Uzima chicken that supply chicken
- e. Butchers available in Masoro sector and the neighboring sectors
- f. Vegetables growers Ltd.
- g. Water tap dealers that supply water

5. Quality control plan:

The following quality will be checked each 3 months:

- a. Checking the qualifications of all workers especially cooks.
- b. Inspect the standards of the food products or raw materials
- c. Examine the cleanliness of water
- d. Checking the cleanliness of the restaurant premises and in the chicken
- e. Checking the cleanliness of the tools such utensils, tables in dining room
- f. Inspect the standards of the foods' spices.
- g. Checking whether the foods are properly cooked
- h. Checking standards of services provided to the customers.

6. Type of labor/employees needed to produce the products (skills, Knowledge and attitude)

The labors needed to produce foods should at least hold TVET Certificate Five (RQF Level 5) in culinary arts.





Task 13:

Describe the steps you may take to have the completed business production plan





Task 14:

Refer to the example provided in the key fact 2.2 of Kezas' restaurant, design the production plan of your won business plan (Reference to task 130

Topic 2.3: Design of marketing plan

Activity 1: Problem Solving





- 1. Based on the on the figure above answer the following questions.
 - a. Which part of the business plan this figure is demonstrating?
 - b. Briefly explain how each element on this figure should be designed
 - c. Give an example on how each element will be costing
 - d. Estimate the marketing budget?

Key facts 2.3.a: Market research and market analysis.

• Introduction:

As an entrepreneur, you need to understand the market where you what to sell your product. You need to emphasize on identifying the needs of potential customers and find out how their future competitors have been satisfying those needs

Let us have an example of Keza's restaurant on market research.

Market research of Keza's restaurant

Products	Customers	The needs	Competitors	Gaps (That competitors
(1)	(2)	of customers (3)	(4)	have not fulfilled) (5)
Food	 House holds and any customers crossing road. The patients who needs services at CSMasoro. The staff of Masoro 	The needs of delicious food, outside catering. The needs if diversified dish	James food restaurant and IWACU Food	Satisfying the available market
Soda	Sector Head Office - The private and public companies operating in Masoro Sector.	The need of diversified Soda		-Provision of diversified Soda

• Market segmentation

Market segmentation is the practice of dividing your target market into approachable groups. Market segmentation creates subsets of a market based on demographics, needs, priorities, common interests, and other psychographic or behavioral criteria used to better understand the target audience.

Let us have an example of Market segmentation for Kez's restaurant

Demographic	Behavioral	Geographic	Psychological
segmentation	segmentation	segmentation	segmentation
Elders and young	The weekend	Some customers	Sports
people,	customers	are from kigali city	men/women/youth
Males and females	The Wednesday	The nearby	Religious leaders
	customers	customers	

Officials from different	The customers	
companies	from remote areas	
Literate and illiterate		
people.		

Marketing objectives and product description

What is your targeted achievement in implementing marketing activities

Let us have example of how to formulate the marketing objectives of Keza's restaurant

Keza main marketing objectives include:

- a. Market share: Keza wishes to gain 70% of market share in 1year of operation.
- b. **Increase Sales and/or Revenue**: Increasing the sales revenues by 10% each three months
- c. **Target New Customers:** With good customer care, Ms. Keza wishes to reach new customers for attaining 70% of market share in 1year of operations.
- d. **Increase Profit**: NSR is targeting to reduce the expenses as Ms. Keza experiencing the market and finally raises the level of profit.
- e. **Retain Existing Customers:** NSR is not only focusing on the new customers but also the retaining the existing customers. This will be achieved through providing excellent customer services.
- f. **Promote New Products or Services:** As per wishes of customers, Ms. Keza has to offer new products for satisfying all customers.

Product description

A product description is a form of marketing copy used to describe and explain the benefits of your product. In other words, it provides all the information and details of your product.

Let us have a example of product description of Keza's restaurant.

✓ Description of Marketing mix.

Marketing plan product				
Goods, Services and range of products				
	Food	Soda		
Quality	Will be prepared using:	The soda will be		
	- Cleaned food products	purchased form		
	- Cleaned utensils	the the certified		
	- The amount of food on the	wholesalers.		
	plate will be sufficient to the			
	customers.			
	- The food will be preserved			
	in food warmers to avoid			
	coldness.			
Color	Will depend on the kind of foods	Multiple colors		
Size	Small, medium and large plate	Small, big plastic		
		bottle.		
Packaging	Plate, food warmers	Bottle		
Certification	RSB	RSB		

✓ Marketing plan "PRICE"

To set your prices you have to:

- **Step 1:** Be aware of how much customers pay for a similar product and then decide how much extra they would pay for fulfilling any specific unmet need supplied by your product.
- **Step 2:** Know the highest and lowest prices charged by the competitors, so you will have a better idea of the prices you can charge for your product.
- ♣ Step 3: Know the cost of your products so you can set a price that is above your cost

Let us have an example of see how Keza's restaurant describe her price

Goods, services or range of products			
	Food	Soda	
Cost	300	180	
The price that customers are		250	
willing to pay	600		
Competitors' price	550	350	
Our price	500	300	
	To be lower	To attract	
	than	customer	
	competitor's		
Reasons for setting this price	price.		
Discount will be given to the		No	
following customers	No		

✓ Marketing plan "PLACE"

As an entrepreneur, it is necessary to decide how your product will reach to customers in easy way. You will decide whether you will use direct distribution, retail distribution or wholesale distribution or if you ma combine many distribution channels.

Let us have an example of how Keza's restaurant described its "Place"

Location : Rulindo district, Masoro Sector.				
The restaurant is located in 9Km from the tarmac road				
This location is chosen for the following reasons:				
The restaurant is located in area where its easy to obtain raw material.				
Method of distribution:				
The business will sell to:				
Direct Retail Wholeslae Other(spec	ify):			
This method of distribution is chosen for the following reasons:				
The location has been chosen because customers always come to the restaurant.				

✓ Marketing plan "PROMOTION"

As an entrepreneur, to sell your product, you must describe how customers will be aware about the availability if your product. This is done through communication. You may use on of promotional mix approach or a combination of my approach.

Let us have an example of how Keza's restaurant described its "Promotion"

Means	Details	Costs
Advertising		
Brochures	Details about the company and the product	5,000
Publicity		
Display and launching.	Display and launching. Inviting the customers and some journalists to	
	Attend the launch.	
Sales promotion		
Buy 1 and get another	The couple customers will buy 1 round and get	20,000
	Free cup of tea, applicable for the first five days	
Discount	10% discount for all initial orders, applicable for the	25,000
	first one month only.	
Total promotion costs		100,000

✓ Marketing plan "PEOPLE"

As an entrepreneur, you need to define who will develop the unique characteristic that differentiates your product?"

Let us have how Keza's described its "People"

Position	Recruiting criteria	Training plan
Managing	- Someone who has managerial skills.	N/A
Director	 Hold A1 Certificate in Hospitality. 	
Sales Manager	 Someone who hold a certificate in custome 	In customer care
	- Someone who hold at least a certificate in	
	 Culinary Arts and the related. 	
Production	- Someone who hold at least a certificate in	Training in preparation ar
Manager	- Culinary Arts and the related.	cooking food.

• Description of marketing strategies

A marketing strategy is a long-term plan for achieving a company's goals by understanding the needs of customers and creating a distinct and sustainable competitive advantage.

Let us have an example of how Keza's restaurant describes its marketing strategies

Name of the business: Keza's restaurant

Type of the Business: Service

Marketing strategies	Observation
Niche marketing	There are specific customers such as sports Men that are served especially on Wednesday and Saturday
Social media marketing	Our services are more advertised on WhatsApp and some on Facebook.
Freebie marketing	Some products are sold for free for boosting the sales of the related goods. Example: Paper napkin

✓ Marketing budget.

Every business activity incurs the cost. That is why you need to think in advance that to carry out marketing activities also needs money.

Let us have an example of Keza's restaurant on how has designed its marketing budget:

No	Activity	Amount (Frw)
1	Sales promotion	100,000
2	Advertisement	100,000
3	Free Wi-Fi	80,000
4	Transport	100,000
Total		380,000





Describe steps to be followed while designing marketing plan





Prepare the marketing plan for your business idea youn have designed in task 11.

Topic 2.4: Development of business staffing requirement plan





Read and answer to the following questions.

What are the inforation to be included in the job offer while business is hiring the employee?

Key fact 2.4: Job analysis.

• Introduction

When starting your new business, you may need to hire employees. If you employ staff you will need skills to manage them. You should also adhere to the laws and regulations which apply to the labor market.

✓ Staff or employees are the persons who work for the business in return for a wage or salary. They may beskilled, semi-skilled and unskilled.

To identiify the neededstaff you go through the folloing steps:

- ♣ Steps 1: Job Analysis is a systematic exploration, study and recording the responsibilities, duties, skills,accountabilities, work environment and ability requirements of a specific job
- **♣ Steps 2**: Job description
- **Steps 3**: Job specification

Example of Job analysis at Keza's restaurant

Name of the business: Never Starve Restaurant			
Business type: Service provider	Business type: Service provider		
Date: /June/2024	Date:/June/2024		
Job title: Managing director	Job title: Managing director Report to: CEO (Chief Executive Officer)		
Education/Experience	A0 in Business Administration		
required	A1 in Accounting		
Responsibilities	Managing all properties owned by the		
	business		
	Planning menus		

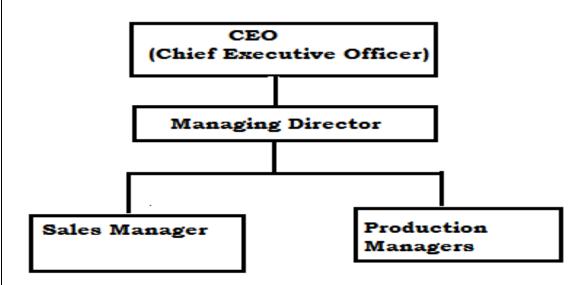
	Managing the restaurant supplies
	Managing restaurant's budget
	Maintain a positive Restaurant culture
	Hire new employees
Knowledge and skills	Managerial skills
required	Problem solving skills
	High computer literacy
Physical requirements	Physically fit as approved by a doctor
	from any certified hospital
Salary range	Negotiable

✓ Organization structure

Organization culture is the set of values, beliefs, attitudes, system and rules that outline and influence employees' behaviors within an organization.

The organization plan is a plan that shows how the business will be organized. It state the size and composition of a Board of Directors.

Let us have an example Kezas' restaurant organisation culture:



S/N	Job title	Job description	Job specification
1.	Managing	Duties and	Description of the
	Director	responsibilities:	Managing directors:

- Managing all Education: A0 activities Economics,	
activities Economics.	
- Prepare and Entrepreneurship or	
offering a Business Administration	on.
report to the Work Experience: 1ye	ar
CEO. Age: 30 years of age be	ut
- Taking the < 40	
related	
decisions in his	
area of	
responsibilities.	
Salary: 318,000 Frw	
2 Sales Duties and Description of the sal	es
managers responsibilities: manager:	
(Head of - Supervising the Education: Holds at lea	ast
waiters or sales of the A2 accounting, or any	
waitress) restaurant other combination that	t
- Preparing the includes Mathematics.	
report to the Work experience: N/A	
Managing Age: Above 18 years of	of
Director. age. But not less than	40
- Following up all years of age.	
deliveries to	
the customers	
outside	
Salary:150,000FRw	
3 Production Duties and Description of the	
manager (responsibilities: production managers:	
Head of - Cooking all Education: Holding at	
Cooks) kinds of food. least A2 in culinary art	s.

- Supervising the	Work experience: 1 year
work of other	in Chicken as a chef.
cooks.	Age: 25 years of age but
- Give a report	less than 45 years of age.
to the	
managing	
Director.	
- Having speed	
in responding	
to the	
customers'	
needs	
Salary:100,000Frw	

Example of legal form of the business for Keza's restaurant

LEGAL FORM OF BUSINESS

The business will operate as:

Sole proprietorship

The reason for choosing this form of business is:

The simplicity and low cost of starting the business makes it worth the risk that is involved compared to limited company.

The owners will be:

Name: Ms. Keza

Description of skills: Business management, sales and pursuasive and

marketing.

Relevant experience: Two years of working experience in restaurant





Explain the steps to be followed while describing the needed staff for the business.





Prepare a job analysis plan for your business idea designed in task 11.

Topic 2.5. Develop business financial plan



Task 21

- 1. Describe the steps to be followed whie design the following element of business financial plan:
 - a. Cost plan
 - b. Sales plan
 - c. Profit plan
 - d. Cash flow statement

Key facts 2.5.a.: Estimation of total cost (start-up costs, operating costs, administrative costs) and source of funds.

Introduction

- ✓ A financial plan is a plan that describes your current financial status, your financial goals and whenyou want to achieve them, and strategies to meet those goals.
- ✓ The financial plan shows the **revenues** and **expenditures** of the business.
- ✓ Use the following steps to plan the financial situation of your business:
 - Step 1: Estimation of total cost.

Start-up costs: Before starting new business, you have to prepare **start-up budget/start-up capital** which shows the expected sources of money and how the money will be spent.

Let us have an example of how Keza's restaurant design its start-up capital

No	Investment capital	Quantity	Unit price (Frw)	Total (Frw)
1.	Land	1		100,000
			100,000	
2.	Equipment	2	80,000	160,000

3.	Building	1		100,000		
			100,000			
4.	Machinery	1	150,000	150,000		
	Total Investment			510,000		
	Working capital					
5	Stock of food products(Inventory)	1000	500	500,000		
6.	Labor cost	6	718,000	4,308,000		
7	Transport cost	6	25,000	150,000		
8.	Promotion	6	20,000	120,000		
9	Advertisement	6	10,000	60,000		
10	Wifi	6	15,000	90,000		
	Working capital					
	Total Start-up cost	5,738,000				

N.B: Start up capital is the ssum of capital investment and working capital.

When you have estimated the start-up capital you need for your business, the next question is where to get that capital.

♣ Step 2: Source of capital

Let us have an example on how Kezas' Restaurant designed its Source of capital

Source	Description & conditions	(Amount Frw)
Own savings	Prize due to outstanding performance in national exam.	2,738,000
Family contribution	Money from parent for opening up a small business.	1,800,000
Bank loan	Loan from Umurenge- SACCO. The rate of interest is 1% per annum.	1,200,000
Total equity	1	5,738,000

- Costing plan of a business.
 - ✓ Cost plan: A Cost plan shows the costs your business is likely to have each month.
 - ✓ To make such a plan you need the Variable Cost per item and the total Fixed Cost per month of your business which can be obtained when you do costing for a good or service

Let us have an example of the costing plan of Keza's restaurant Fixed Cost of the business/month

Details	Cost per month(Frw)
Rent	220,000
Insurance	50,000
Electricity and water, including waste water	262,000
Agaciro Development Fund	80,000
Trade licenses	15,000
Labor	718,000
Transport	300,000
Maintenance and repairs	270,000
Marketing expenses	85,000
Total Fixed Cost per month	2,000,000

N.B=

1. Keza's Restaurant pays 360,000 once a year in AGACIRO DEVELOPMENT FUND. So, it pays **30,000Rwf per month.**

$$\frac{360,000 Frw}{12 months} = 30,000 Frw/Month$$

2. Keza's Restaurant pays 180,000Frw as a license per year. It pays **15,000Frw per** month.

Variable Cost

Variable cost of producing a plate of food/Day						
Input in (1 plate of food)	Purchase price (Frw)	Quantity per item (Kg)	Cost per item (Frw)			
Rice	187.5	0.125	23.44			
Irish potatoes	100	0.125	12.5			
Beans	62.5	0.125	8			
Vegetables	10	-	10			
Oil	25	-	25			
Onion	20		20			
Spices	0.02		0.02			
Meat	625	0.125	78.125			
Labor	26	1plate	26			
Total Variable Cost per	203.085					
Total plates produced/se						
TVC/Day (1)= (a) * (b)		40,617				

Variable cost of producing 1 bottle/Soda							
In put	Cost per						
(1 bottle of	price(Frw)	per	item				
drink) item(Kg)			(Frw)				
1bottle	180	1	180				
Total Variable Cost per bo	180						
Total bottles produced or sold/Day (b)=80							
TVC/Day (2)=(a)*(b)	TVC/Day (2)=(a)*(b)						

N.B:

- 1. Total Variable Cost of the business/Day (3) = (1) + (2) = 55,017
- 2. Total Variable Cost of the business /Month (4) = (3) *30=1,650,510
- 3. TVC=Total Variable Cost

Key facts 2.5.b: Estimation of projected income.

Introduction

- ✓ **Profit** is the amount of money left after you have subtracted all the costs of your business from its total sales.
- ✓ Follow these steps to estimate the profitability of the business:
 - **Develop the sales plan:** A sales plan shows the sales your business is likely to have each month.
 - **Develop the cost plan:** A Cost Plan shows the costs your business is likely to have each month.

Profit is calculated as follows:

SALES COSTS	=	PROFIT
-------------	---	--------

Let us have an example of the sales plan of Keza's restaurant

	Sales Plan-First 6months								
	Details	Jan	Feb	Mar	Apr	May	June	Total	
	Sales	500	500	500	500	500	500		
	price								
	(Frw)								
	Sales	6000	6000	7500	7500	6000	6450	39,450	
	amount								
	Sales	3000,000	3,000,000	3,750,000	3,750,000	3,000,000	3,225,000	19,725,000	
Food	Value								
"	(Frw) (1)								
	Sales	300	300	300	300	300	300		
Drinks	Price								
۵	(Frw)								

Sales	2400	2400	2400	2700	2550	2340	14790
amount							
Sales	720,000	720,000	720,000	810,000	765,000	702,000	4,437,000
value							
(Frw) (2)							
Total	3,720,000	3,720,000	3,720,000	4560,000	3,765,000	3,927,000	23,412,000
sales							
Values							
(Frw)(3)=							
(1)+(2)							

Cost plan of Kezas' restaurant for the First six (6)months:

Produc	Details	Jan	Feb	Mar	April	May	June	Total
ts								
Food	Producti	6000	6000	7500	7500	6000	6450	39,450
	on							
	Variable	203.1	203.1	203.1	203.1	203.1	203.1	
	Cost							
	Total	1,218,6	1,218,6	1,523,2	1,523,2	1,218,6	1,309,9	8,012,2
	Variable	00	00	50	50	00	95	95
	cost (1)							
Drinks	Producti	2400	2400	2400	2700	2550	2340	14790
	on							
	Variable	180	180	180	180	180	180	
	Cost							
	Total	432,000	432,000	432,000	468,000	459,000	421,200	2,644,2
	Variable							00
	cost (2)							
	Total	1,650,600	1,650,600	1,955,250	1,991,250	1,677,600	1,731,195	10,656,49
	Variable							5
	Cost of							
	the							
	restaura							
	nt							
	(3)=(1)+(
	2)							

Total	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000	13,800,00
Fixed							0
Cost							
Total	3,950,000	3,950,000	4,255,250	4,291,250	3,977,600	4,031,195	24,455,29
Cost of							5
the							
restaura							
nt							

Profit Margin of Keza's restaurant

	Profit Plan For-First 6months						
Details	Jan	Feb	Mar	Apr	May	Jun	Total
Total	3,720,000	3,720,000	3,720,000	4,560,000	3,765,000	3,927,000	23,412,000
sales							
Total	1,650,600	1,650,600	1,955,250	1,991,250	1,677,600	1,731,195	10,656,495
Variable							
Cost							
Gross	2,060,400	2,060,400	1,764,750	2568,750	2,097,400	2,195,805	12,755,505
Profit							
Total	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	12,000,000
Fixed							
Cost							
Net	64,400	64,400	-235,250	568,750	97,400	195,805	755,505
Profit							

Key facts 2.5.c: Estimation of projected cash flow statement and balance sheet

- Cash flow statement
 - ✓ Cash flow statement shows how finances(money) come in and out of the business.

- ✓ Under cash flows, we have the cash revenues (incomes/cash in) and cash payments (expenditures/cashout).
- ✓ Use the following steps to estimate projected cash flow statement:

Step1: Calcculate Cash revenues: This is a list all of the expected cash in (incomes) for each month in your financial year.

- **Steep : Cash payments:** This is a list all of the expected cash out (expenses) for each month in your financial year
- **♣ Step 3:** Calculate the **total cash flows**: You get the total cash in (revenue/incomes) and subtract total cash out(payments/expenditures).
- **♣ Step 4: The net balance at the end of each month (Bal c/d)** will be the opening balance of the next month (Bal b/d)

Let us have an example of the projected cash flow plan for Kezas' restaurant for the First six (6)months:

	Cash Flow Plan –First 6 Months						
	Months	Jan	Feb	Mar	Apr	May	June
	Bal b/d	0	1,150,562	2,282,229	3,101,646	4,754,563	6,053,630
	Cash from sales	3,720,000	3,720,000	3,720,000	4,560,000	3,765,000	3,927,000
CASH IN	Total Cash in (1)	3,720,000	4,870,562	6,002,229	7,661,646	8,519,563	9,980,630
	Inventory	1,650,600	1,650,600	1,955,250	1,991,250	1,677,600	1,731,195
	Salaries and wages	718,000	718,000	718,000	718,000	718,000	718,000
САЅН ООТ	Transport & communication	25,000	25,000	25,000	25,000	25,000	25,000

	Loan payment		45,333	45,333	45,333	45,333	45,333
	Miscellaneuous expenses	5,000		7,000	2,500		3,500
	Drawings	120,505	130,000	150,000	105,000	130,000	120,000
Total (Cash out (2)	2,569,438	2,588,333	2,900,583	2,907,083	2,465,933	2,643,028
Cash bala	nce (3)=(1)-(2)	1,150,562	2,282,229	3,101,646	4,754,563	6,053,630	7,337,602

• Estimation of projected balance sheet

✓ A balance sheet is a financial statement or report which indicates what you
own and what you owe on any given day in the life of a business. The
balance sheets simply shows the aseets, liabilties and capital (Owners
Equity).

Let us have an example of how Keza Restaurant has prepared it's Balance sheet in the first Six months

FIXED COST	Amount	Amount	LIABILITIES	Amount	Amount
Land	100,000		Long term		
			liabilities		
Building	100,000		Bank loan	1,200,000	
Equipment	160,000				
Machinery	150,000		Current Liabilities	N/A	
Total Fixed		510,000	Total Liabilities		1,200,000
Cost					
CURRENT			OWNERS'EQUITY		
ASSETS					
Stock	500,000		Capital	510,000	
Cash	273,800		Add: Net profit	755,505	
Totla		773,800	<u>Less</u> : Drawings	1,181,705	

Current			
Assets			
Total Assets	1,283,800	Total Liabilities	1,283,800
		and Owners'	
		Equity	

Key facts 2.5.d: Calculation of Break-Even Point and Pay Back Period

• Break Even Point (BEP)

At which point your business, product will become financially viable?

- ✓ **Break-Even Point (BEP)** is that point of sales volume at which total revenue is equal to total costs. It is a no-profit, no-loss point.
- ✓ Use the following steps to estimate Break Even point:
 - **Step1:** Calculate Fixed costs incurred by the business
 - **♣ Step 2:** Calculate the sales revenue/unit
 - Step 3: Estimate variable cost/unit.

Let us have an example of how Keza Restaurant has calculated the its Break-Even Point

Product 1: 1 plate of food.⁵

Break-Even Units = Fixed Cost

Selling Price per Unit-Variable cost per Unit

Break-even point (units): 12,000,000/ (500-383.1) =12,000,000/116.9= 102,652 Plane

Product 2: 1 bottle of soda.

Break-even point (units): 12,000,000/(300-180)=100,000 Bottles.

· Payback period.

- ✓ **Payback period** is the time in which the initial cash outflow of an investment is
- ✓ Payback period refers to the period of time required to recoup the funds used in

expected to be recovered from the cash inflows generated by the investment.

⁵ https://www.freshbooks.com/hub/accounting/calculate-break-even-point

an investment, or to reach the break-even point.

- ✓ Use the following steps to estimate Payback Period:
 - Estimate Initial Investment
 - Estimate Cash Inflow per Period.

When cash inflows are uneven, we need to calculate the cumulative net cash flow for each period and then use the following formula for payback period:

Pay Back Period
$$\longrightarrow$$
 A+ $\frac{B}{C}$

In the above formula,

- A is the last period with a negative cumulative cash flow;
- B is the absolute value of cumulative cash flow at the end of the period A;
- C is the total cash flow during the period after A

Rule: Accept the project only if it's payback period is less than the target payback period.



Activity 2: Guided Practice



1. Based on the key facts 2.5.a, b,c and d, answer the following questions:

- a. Briefly, describe the steps followed to design the following parts of financial plan:
 - Cost plan
 - ii Sales plan
 - iii Profit plan
 - iv Cash flow statement
 - Estimated balance sheet
 - vi Estimated payback period
- b. Justify the importance of preparing the business financial plan for the business





Task 23:

Based on your own business idea described in the **task 11.** Design the financial plan of your business idea.



1. What do you understand by the term business idea? **2marks**

2. A good business idea is characterized by the following, except: 2marks

a. Inundation

b. Innovation

c. Problem solving

d. Adaptability

3. A. Give the difference between Vision, mission, goal and objectives 4marks

B. Outline any four (4) steps required for creating vision and mission statement for

the business. 4marks

4. a What do you understand by the term financial plan? **2marks**

b Suppose that you want to start a business. What are the possible sources of

funding your business. 3marks

5. a What are 3 types of business available in Rwanda **3marks**

b Discuss SWOT analysis of a business 4marks

6. Is it necessary to design marketing plan? Justify. **3marks**

7. Describe the marketing mix for the business plan. **4marks**

8. a. What do you understand by the term balance sheet? **2marks**

i. Why is it important to prepare the business plan 3marks

ii. What is the difference between payback period and Break Even Point 4marks



- Business idea description
- Development of the vision, mission, goal and objectives
- SWOT analysis of a business plan
- Description of production process and raw materials
- Market research
- Market analysis
- Market segmentation
- Description of marketing mix
- Description of marketing strategies
- Job analysis
- Description of the organisation culture
- Estimation of total cost
- Estimation of projected cash flow.
- Estimation of projected income
- Estimation of projected balance sheet
- Calculation of Break Even Point and Payback period.
- Element of implementation plan.



1. Read the statements across the top. Put a check in a column that best represents your level of knowledge, skills and attitudes.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Identify business idea and market for the					
business					
Design a business idea for the business					
Describe marketing research and market					
analysis					
Description of the types of business					
Identify SWOT analysis of a business.					
Describe the business premises and plant location					
Describe the production process and raw materials					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
required by the					
business					
Identify the quality					
control and ongoing					
service by the business					
Describe market					
research and Market					
Analysis for the					
business					
Describe competition					
analysis and market					
segmentation for the					
business					
Develop marketing					
objectives and Product					
description.					
Describe the					
marketing mix for the					
business					
Describe of market					
Strategies, On-going					
marketing evaluation					
and Marketing budget					
for the business					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe the					
organization culture					
Estimate the total cost					
of the business					
Describe the estimate					
of projected cash flow,					
income and balance					
sheet.					
Calculate payback					
period and breakeven					
point.					
Define the contingency					
plan.					
Identify elements of					
contingency plan.					
Identify the purpose of					
contingency plan.					
Identify the business					
risks.					
Estimate the risks of					
carrying out a					
business.					
Define the risk					
assessment					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe the tools for risks assessment. Describe the steps for					
contingency planning.					

2. Fill in the table above and share results with the trainer for further guidance.

Areas of strength	Areas for improvement	Actions to be taken to improve
1.	1.	1.
2.	2.	2.
3.	3.	3.

UNIT 3: ESTABLISH BUSINESS CONTINGENCY PLAN



Unit summary

This unit provides you with the knowledge, skills and attitudes required to establish business contingency plan required to develop a business plan. It covers the explanation of business contingency plan concepts, identification of business risks, assessment of business risks associated to the business and development of contingency plan.

Self-Assessment: Unit 3

- 1. Referring to the unit illustration above, discuss the following:
 - a. What do pictures above illustrate?
 - b. What a person is doing?
 - c. Based on the illustration, what do you think this unit is concerned?
- 2. Fill and complete the self-assessment table below to assess your level of knowledge, skills and attitudes under this unit:
 - a. There is no right or wrong way to answer this assessment. It is for your own reference and self-reflection on the knowledge, skills and attitude acquisition during the learning process.
 - b. Think about yourself: Do you think you have the knowledge, skills and attitudes to do the task? How well?
 - c. Read the statement across the top. Put a check in a column that represents your level of your knowledge, skills and attitudes

At the end of this unit, you will re-assess yourself.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Definition of					
contingency plan of					
the business.					
Identify the purpose of					
contingency plan					
Identify the types of					
contingency plan of the					
business.					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Estimate the risks associated with the business operations.					
Explain the meaning of the risks assessment					
Describe the tools for risks assessment in the business.					
Design the contingency plan of the business.					

Key Competencies:

	Knowledge		Skills		Attitudes
1.	Identify the types of	1.	Select tools for	1.	Demonstrate
	contingency plan of the		risks		teamwork spirit
	business.		assessment.		while working in
					group
2.	Describe the tools for	2.	Design the	2.	Pay attention while
	risks assessment in the		contingency plan of		making contingency plan
	business.		the business.		
_					
3.	Identify the steps of	3.	Design the risk impact	3.	Comply with steps in
	contingency planning for		chart		making contingency plan
	the business.				







1. In Pair, refer to the above figure ⁶ and answer the following questions:

- a. What do you see on the above figure?
- b. What is the meaning of contigency plan of a business?
- c. Suppose that you own a business and you have situations to deal with and need solutions. What is the purpose of having many options of solutions?
- d. In a business taking any options as a solution may result with some risks.
 What is the meaning of business risks?
- e. What types of business risks the entrepreneur may face during the busineess operations.
- f. Hw to estimate the risks associated with the business operations?
- g. What do you understanda by the term risk assessment?
- h. Describe the useful tools for assessing the business risks.
- i. What do you think are the types of contigency plan?

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 $^{^6}$ https://www.istockphoto.com/photo/stickers-on-the-board-plan-c-and-crossed-out-plan-a-and-plan-b-gm1397697704-452045755

Topic 3.1: Explanation of business contingency plan concepts

Activity 1: Problem Solving



- a. What do you understand by the term contingency plan?
- b. What is the purpose of business contingency plan?
- c. What is the importance of having contingency plan for an the business?

Key fact 3.1.a Explanation of business contingency plan concepts

Definition

The definition of business contingency plan

- ✓ A business contingency plan is a crucial strategy that outlines how an organization will respond to unforeseen events or disruptions. It serves as a proactive approach to ensure continuity and resilience.
- ✓ A business contingency plan is a course of action that your organization would take if an unexpected event or situation occurs.
- ✓ Contingency plans are an important part of your overall business continuity strategy because they help ensure your organization is ready for anything.⁷
- ✓ A business contingency plan responds to the questions like:
 - What if a critical asset breaks down, causing production delays?
 - What if your top three engineers all quit at the same time?
 - ♣ What if the country where your microprocessors are built was suddenly invaded?

⁷ https://www.rockdovesolutions.com/blog/what-is-a-business-contingency-plan-how-to-create-one

Purpose of contingency plan



- ✓ To reduce business risk
- ✓ Fasten disaster recovery
- ✓ To ensure the smooth execution of business processes.
- ✓ Preparing an organization to be ready to respond effectively in the event of emergency.
- ✓ Gives employees and stakeholders clear directions to follow, allowing everyone involved to move together towards the right solution8

• Importance of contingency plan.

Contingency plan has the following importance:

- ✓ Risk Mitigation: Contingency planning helps identify potential risks to business operations and mitigates them proactively, minimizing the impact of unforeseen events.
- ✓ Crisis Management: It plays a vital role in managing crises effectively when they
 arise, ensuring a swift and well-coordinated response to minimize damages to
 business operations.
- ✓ **Business Continuity:** Having a contingency plan in place ensures business continuity during disruptions, providing a roadmap to navigate challenges and maintain essential functions.

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⁸ https://rb.gy/xja8t6

- ✓ Boosting Confidence: The existence of a contingency plan instils confidence in the business owner and the team, as they are well-prepared to handle unexpected events, fostering a sense of security.
- ✓ Reducing Operational Loss: Disruptions have a way of stopping business operations in their tracks, and that leads to reduced productivity and lost revenue.

Reduces the Risk of uncertainty or unpredictable future.

- ✓ Saving time and money. When management knows an incident plan ahead of time, they can respond to the unexpected faster, minimizing downtime. This can often protect employees and equipment from harm, as well as your bottom line.
 - ✓ Increases credit availability.
 - ✓ Saving lives Some disasters are life-threatening.
 - ✓ Prevents Panic
 - ✓ Improving Assessment and Self-Awareness
 - ✓ Preventing Reputational 9Damage
 - ✓ Identify and List Key Risks10



Activity 2: Guided Practice



- 1. Read and answer to the following questions
 - a. What is the meaning of the term business contingency plan?
 - b. Explain the importance of having a contingency plan to the business
 - c. What I the purpose of having contingency plan for the business?

⁹ https://rb.gy/ag3dve

¹⁰ https://www.arepa.com/resources/blog/key-components-to-an-effective-businesscontingency-plan/



Task 30

- 1. You are hired as an expert in business management for explaining contingency plan for youth entrepreneurs. Prepare a power point presentation detailing the following points:
 - a. Meaning of business contingency plan
 - b. Purpose of business contingency plan
 - c. Importance of business contingency plan

Topic 3.2: Identification of business risks







- **1.** Observe the figure above and answer the following questions:
 - a. What do you see on the figure above?
 - b. Can your advice this person to continue the journey?
 - c. Define the following terms:

Risk

Business risks

- 2. What are the types of business risk?
- 3. How can you estimate the risks that your business will be associated with?

Key fact 3.2: Identification of business risks

- Meaning of business risk and types of business risk Definition of the business risk
- Definition of key concepts
 - ✓ Risk refers to the uncertainty that something may result in a loss or injury. In
 the workplace, risk is simply the probability that certain hazards may end up
 hurting employees.¹¹ Risk is the possibility of something bad happening.
 - ✓ **Business risk:** anything that threatens a company's ability to achieve its financial goals. Is also defined as the exposure a company or organization has to factor(s) that will lower its profits or lead it to fail.
 - ✓ Examples of business risk are:
 - Physical hazards caused by high noise levels,
 - Extreme weather or other environmental factors,
 - ♣ Equipment hazards caused by faulty equipment and poor processes when using equipment.
 - ✓ The sources of business risk are varied but include:
 - Changes in consumer taste and demand.
 - The state of the overall economy.
 - Government rules and regulations.
- Types of business risk.
 - ✓ Security risk: The types of risks like data breaches, cyberattacks, identity theft, embezzlement, money laundering, criminal record, and intellectual property theft.
 - ✓ **Compliance risk:** This includes risk associated with laws. For example, law related to occupational health and safety, equipment certification requirements, taxes, and more are constantly being updated and claiming ignorance of these changes is not a valid defense.
 - ✓ Operational risk: Operational risk can be internal or external or a combination of both. For example, natural disaster that damages your physical premises or

¹¹¹¹https://www.ecoonline.com/glossary/risk#:~:text=Risk%20refers%20to%20the%20uncert ainty,health%20risks%2C%20and%20many%20others. https://www.investopedia.com/terms/b/businessrisk.asp

equipment, a pandemic that forces people to shelter in place or work from home, severe outage that causes technical problems like lack of power or disruption due to human error.

- ✓ **Financial or economic risk:** This risk is caused by market movements, foreign currency exchange rates, and commodity price fluctuations. An example of common financial risks is when a business takes out a loan with greater interest than is affordable, or when a business that trades internationally is negatively impacted by a foreign currency value depreciation.
- ✓ Reputational risk: Faulty products or services, poor customer support experiences, negative publicity about your employees or your leadership, or high-profile failures in the press. These are all reputational risks that will affect your bottom line, and your relationship with customers and partners.
- ✓ Human risk refers to any risk that arises from human factors including the decisions and actions of organizations employees. A human risk usually involves staff failure to perform their essential duties, often caused by poor communication and people management.
- ✓ **Strategic Risk:** A strategic risk is when a company struggles to reach their strategic goals as a result of internal or external factors. Some examples of events which could be a strategic risk.
- ✓ Competitive risk: Are risks associated with a competitor in the market. Competition is healthy as it drives cost reductions and quality improvements but becomes a risk when the market competitor is preventing a business from achieving its goals. Steep discounts, innovation or a new competitor in the market are common types of competitive risk.¹²

• Estimation of risks (Quantitative & Qualitative)

- ✓ Risk estimation refers to the process of determining the probability of occurrence of harm and severity of harm in a business.
- ✓ Risk estimation is when you determine the probability of occurrence of harm and severity of harm.
- ✓ Risk estimation is either quantitative or qualitative

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¹² https://www.investopedia.com/terms/b/businessrisk.asp#toc-types-of-business-risk

Qualitative risk estimation involves calculating the likelihood or probability of the risks happening.

Quantitative risk estimation involves calculating the possible impact that the event would have on the business, i.e. the quantity of things that the company would lose in case of the risk occurring.

• Risk estimation tools

✓ Risk impact chart and Probability chart

The chart allows you to rate potential risks on two dimensions.

- **The probability** that a risk will occur is represented on one axis of the chart
- **The impact of the risk**, if it occurs, on the other. You use these two measures to plot the risk on the chart

The risk impact and probability chart help to prioritize risks.

Risk impact chart and Probability chart

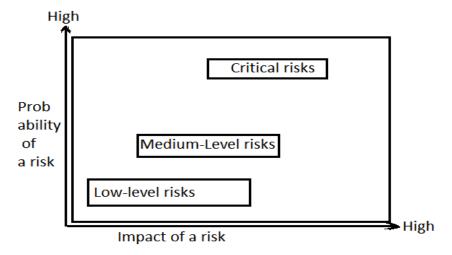


Figure 1:Impact and probability chart.

We need to prioritize risks because it is probably hard or impossible to deal with all the risk the business is exposed to. So you focus on the most important risks.





- **1.** Answer to the following questions:
 - a. How can you deifne the meaning risks and business risks
 - b. Explain types of business risk?
 - c. Which ways can you use to estimate the risks that a business may be associated with?
 - d. Why prioritizing risk is important in the business?





Task 33:

- 1. In reference to the business plan, you designed in the learning outcome 2 using your own business idea:
 - a. Identify types of risk associated to your business
 - b. Estimate at which level those risks may affect your business by using Risk impact chart and Probability chart

Topic 3.3: Assessment of business risks associated to the business





Task 34:



- 1. Observe the figure above and anwer to the following questions
 - a. What do you see on the figure?
 - b. What do you understand by the term risk assessment?
 - c. According to the level of risk on the figure, what are the tools you can use to assess the business risk?

Key fact 3.3: Assessment of business risks associated to the business

- Meaning of risk assessment.
- Definition of key concepts
 - ✓ Risk assessment is a process used to identify potential hazards and analyze what could happen if a disaster or hazard occurs.
 - ✓ Risk assessment also means the process of identifying hazards that could negatively affect an organization's ability to conduct business.
 - ✓ The main purpose of risk assessment is risk prevention is the main purpose of any risk assessment. In assessment of business risks associated to the buisness we use the following model/methods:
 - Failure modes and effect analysis (FMEA)
 - Bowtie model

✓ Failure Modes and Effect Analysis (FMEA) is a systematic approach used in
engineering and various industries to identify and prioritize potential failure modes
in a process, product, or system. It aims to assess the impact of these failures and
develop preventive measures.

The process involves the following key steps:

- **Step 1: Identification of Failure Modes:** Enumerate possible ways in which a system, process, or product may fail.
- **Step 2: Determination of Effects:** Evaluate the consequences or effects associated with each identified failure mode.
- **♣** Step3. Assigning Severity, Occurrence, and Detection Ratings:
 - Assign a severity rating to each failure mode based on its potential impact.
 - Assign an occurrence rating based on the likelihood of the failure mode occurring.
 - Assign a detection rating based on the likelihood of detecting the failure before it causes harm.
- ♣ Step4. Calculation of Risk Priority Number (RPN): RPN is computed by multiplying severity, occurrence, and detection ratings. It helps prioritize which failure modes to address first.
- **♣ Step 5. Prioritization and Action Planning:** Prioritize failure modes based on their RPN values. Develop and implement corrective actions to mitigate the risks associated with high-priority failure modes.

• Bowtie model

- ✓ The Bowtie method is a risk evaluation method that can be used to analyze and demonstrate causal relationships in high risk scenarios.¹³
- ✓ **The Bowtie model** is a visual representation used in risk management to analyze and communicate potential risks associated with a specific event.
- ✓ This model is valuable for understanding and managing risks, providing a
 comprehensive view of potential scenarios and preventive measures. It's widely
 used in various industries, including aviation, oil and gas, and healthcare.

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^{13.}https://rb.gy/u4ly6m

• Risk assessment tools

- ✓ SWOT analysis
- ✓ PESTEL analysis
- ✓ Risk Matrix
- ✓ Decision tree
- ✓ Failure modes and effects analysis (FMEA), and
- ✓ Bowtie model.

Other risk assessment techniques include:14

- ✓ The what-if analysis,
- ✓ Failure tree analysis, and
- √ hazard operability analysis.

N.B: Risk Matrix:

A risk matrix is often used to measure the level of risk by considering the consequence/ severity and likelihood of injury to a worker after being exposed to a hazard. Two key questions to ask when using a risk matrix should be:

- a. **Consequences:** How bad would the most severe injury be if exposed to the hazard?
- b. **Likelihood:** How likely is the person to be injured if exposed to the hazard.

Risk Matrix is used as follows:

Likelihood Very Likely Likely **Unlikely Highly** Unlikely **Consequences Fatality** High High Medium High **Major Injuries** High High Medium Medium Minor Injuries Medium Medium Low High Negligible Medium Medium Low Low **Injuries**

Figure 2: Risk matrix

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¹⁴ https://safetyculture.com/topics/risk-assessment/#risk-assessment-tools-and-techniques

• How to Assess Consequences?

It is common to group the injury severity and consequence into the following four categories:

- ✓ Fatality: Leads to death
- ✓ Major or serious injury: Serious damage to health which may be irreversible, requiring medical attention and ongoing treatment
- ✓ **Minor injury:**Eeversible health damage which may require medical attention but limited ongoing treatment). This is less likely to involve significant time off work.
- ✓ **Negligible injuries:** First aid only with little or no lost time.

How to Assess Likelihood?

It is common to group the likelihood of a hazard causing worker injury into the following four categories:

- ✓ Very likely: Exposed to hazard continuously.
- ✓ **Likely**: Exposed to hazard occasionally.
- ✓ Unlikely: Could happen but only rarely.

Highly unlikely: Could happen, but probably never will.





- 1. Describe different tools used to assess the risks
- 2. Use the following risk matrix to assess the business risk of the business you designed a business plan.

Likely hood		Very likely	Likely	Unlikely	Highly unlikely
Consequences	Fatality				
	Major or				
	serious				
	injury				
	Minor				
	injury				
	Negligible				
	injure				



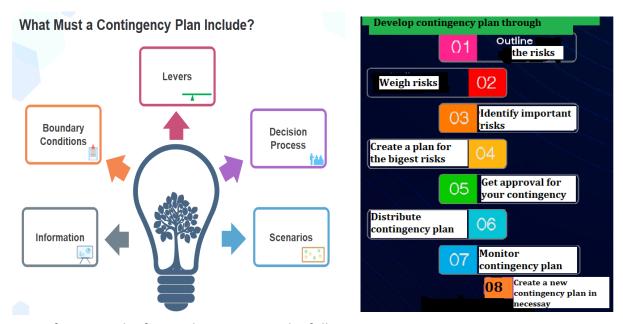


1. Assess the risk associated to your business you develop in the learning outcome

Topic 3.4: Steps of contingency planning







- 1. Referring to the figure above, answer the following questions in pairs:
 - a. What do you understand by contingency plan.
 - b. Suppose that you start a business that produce and distribute Yoghurt, what do you think you can include in the contingency plan of your business? which steps you can go through while preparing the business contingency plan

Key fact 3.4.a: Steps of contingency planning

Introduction

Contingency plans are typically implemented in phases to ensure that there are no gaps or weaknesses in the plan.

A contingency plan includes the following:

- ✓ **List of risks:** An estimate of what is going to happen
- ✓ **List of options:** A plan based on this estimate of what the response should be.¹5
- ✓ **Plan of action:** Some actions identified to be best prepared.
- ✓ **Information:** Having information is taken as the heart of contingency plan since it enables to identify when a contingency exists. The information is taken as a metric for risk measurement.
- ✓ Boundary condition: Once a company has the set of information it is going to use to assess the situation, it must decide conditions in which contingency must be addressed.
- ✓ **Decision process:** With information, boundaries, and levers in place, the business should think through how it will actually decide to use the levers/resources if the information indicates that a boundary has been crossed. This will vary from company to company.
- ✓ Levers/Resources: A contingency plan should also consider what resources that the business can use to correct its path.

Steps of contingency planning.

- / Make a list of violes Chart h
- ✓ Make a list of risks: Start by making a list of all risks that might impact your business. Invite different stakeholders to identify and discuss potential risks.
- ✓ Weigh risks based on severity and likelihood: Identify the potential impact of each risk using two metrics: the severity of the impact if the risk happens and the likelihood of the risk occurring. Assign each risk a severity and likelihood. It is better to use high, medium and low. To do this you need to identify which systems keep your business operations ticking.

¹⁵ https://www.phimation.com/post/the-five-components-of-contingency-planning

- ✓ **Identify important risks:** Decide which risks are most important to address. For example, you don't need to create a contingency plan for a risk that is low.
- ✓ Create a contingency plan for the biggest risk:

Severity	Likelihood	Risk	Contingency plan
High	High		
High	Medium		
Medium	Low		

- ✓ **Get approval for your contingency plan:** Make sure the involved decision-makers approve the contingency plan.
- ✓ **Distribute contingency plan:** Share the contingency plan with the right people.
- ✓ Monitor contingency plan: Review your contingency plan frequently to make sure it is still accurate. Take into account new risks or new opportunities. Share the contingency plan with the new leader for their review.
- ✓ Create a new contingency plan if necessary: If you discover a new risk, and it has a high enough severity or likelihood, create a new contingency plan for the risk.
- Specific strategies to make contingency plan operational
 - ✓ Describe the risk statement

A risk statement summarizes a potential problem that needs to be addressed. The statement communicates the potential adverse event or condition and its consequences on programobjectives should the risk be realized.

- ✓ **Preparation of an evacuation plan**: Personnel need to know when to evacuate, what they should do whenthey're notified of an evacuation, what routes are available out of the building(s), and should also know who is responsible for checking to see whether everyone is out safely
- ✓ Create a communications fan-out system: There is a need to ensure that if something happened at your business, there is a person responsible for notifying each person who works there.

- Check out local programs and resources: Your city or town or village may have contingency plans/disaster response plans in place or provide resources that will make it easier for you to put your ownplan together.
 Example: MIDMAR offers information about emergency preparedness
- ✓ Keep your business contingency plan handy: The entrepreneur has to keep his/her disaster plan in an easily accessible place and make sure everyone who needs to know where it is knows its location.
- ✓ **Use Your Business social media**: Your business website and social media platforms like Facebook, Telegram, WhatsApp and X.com are excellent ways to communicate with customers and business associates in the case of an emergency.



Activity 2: Guided Practice



Task 38:

- 1. Referring to the figure under the activity 1 in problem solving of the topic 3.4, answer the following question in pairs:
 - a. What are the components of a contingency plan?
 - b. Most of the times, the business develops contingency plan but the owners fail to adapt them and be non-operational. Advise them on how the business owners can make their business contingency plan operational.
 - c. What do you think are the process followed in contingency planning?





Task 39:

 Suppose that you own a small business that produces Yoghurt. You carry out many activities including production, selling and distribution, maintenance and many others.
 Refer to the figure 5 above (in the problem solving) and set steps for contingency plan for your business. Write the elements would your business contingency plan include.



- 1. What do you understand by the term contingency plan? 2marks
- 2. Give any three (3) purposes of having contingency plan in a business 3marks
- 3. Answer by True or False. 5marks
 - a. Risk refers to the activities carried out to manage the situation of the business.
 - b. Business risk as the exposure a company or organization has to factor(s) that will lower its profits or lead it to fail.
 - c. Some sources of business risks include changes in consumer taste and demand the state of the overall economy.
 - d. Qualitative risk estimation involves calculating the possible impact that the event
 - i. would have on the business, i.e. the quantity of things that the company would lose in case of the risk occurring.
 - e. Quantitative risk estimation involves calculating the likelihood or probability of the risks happening.
- 4. Enumerate 3types of risks that a business may be associated with? **3marks**
 - a. What do you understand by the team risk assessment? **2marks**
 - b. Why do we need to prioritize risks? **2marks**
 - c. Which 3 tools can you use for risk assessment in the business? **3marks**
- 5. Discuss the steps followed in contingency planning in the business. **8marks**



- Definition of contingency plan
- Purpose of contingency plan Meaning of business risk
- Types of business risk
- Estimation of risks (Quantitative and Qualitative
- Definition of risk assessment
- Description of risk assessment tools.
- Steps of contingency planning.



1. Read the statements across the top. Put a check in a column that best represents your level of knowledge, skills and attitudes.

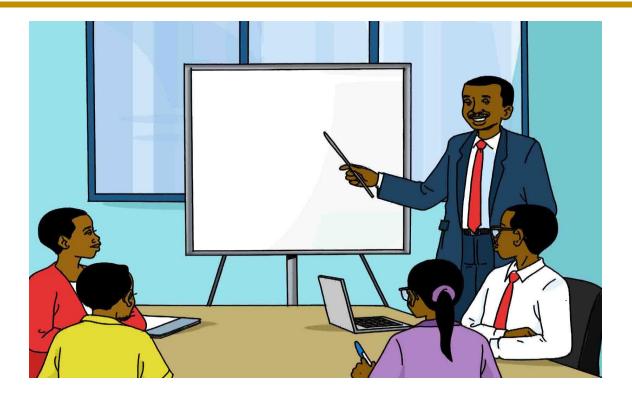
My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Definition of					
contingency plan of					
the business.					
Identify the purpose of					
contingency plan.					
Identify the types of					
contingency plan of					
the business.					
Estimate the risks					
associated with the					
business operations.					
Explain the meaning of					
the risks assesses					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Describe the tools for					
risks assessment in the					
business.					
Design the					
contingency plan of					
the business.					

2. Fill in the table above and share results with the trainer for further guidance.

Areas of strength	Areas for improvement	Actions to be taken to improve
1.	1.	1.
2.	2.	2.
3.	3.	3.

UNIT 4: PRESENT A BUSINESS PLAN



Unit summary

This unit provides you with the knowledge, skills and attitudes required to present a business plan required to develop a business plan. It covers the preparation of business plan presentation, explanation of different ways to present the business plan and presentation of business plan.

Self-Assessment: Unit 4

- 1. Referring to the unit illustration above, discuss the following:
 - a. What do pictures above illustrate?
 - b. What a person is doing?
 - c. Based on the illustration, what do you think this unit is concerned?
- **2.** Fill and complete the self-assessment table below to assess your level of knowledge, skills and attitudes under this unit.
 - a. There is no right or wrong way to answer this assessment. It is for your own reference and self-reflection on the knowledge, skills and attitude acquisition during the learning process.
 - b. Think about yourself: Do you think you have the knowledge, skills and attitudes to do the task? How well?
 - Read the statement across the top. Put a check in a column that represents
 your level of your knowledge, skills and attitudes
 At the end of this unit, you will re-assess yourself.

My experience Knowledge, skills and	I do not have any	I know a little about	I have some experience doing this.	I have a lot of	I am confident in my
attitudes	experience doing this.	this.	uonig tilis.	experience with this.	ability to do this.
Define the business					
plan presentation					
Explain the purpose of					
business plan					
presentation					
Identify the types of					
preparation required					
for presenting the					
business plan.					
Describe the steps					
involved in					
preparation of					

My experience	I do not have any	I know a little	I have some experience	I have a lot of	l am confident
Knowledge, skills and attitudes	experience doing this.	about this.	doing this.	experience with this.	in my ability to do this.
business plan					
presentation.					
Describe the parties to					
present business plan					
for the business.					
Describe the					
procedures involved in					
business plan					
presentation.					
Describe the					
techniques for					
presenting the					
business plan.					



	Knowledge		Skills		Attitudes
1.	Explain the purpose of business plan presentation	1.	Present a business plan for the business	1.	Demonstrate teamwork spirit while working in group.
2.	Describe the steps involved in preparation of business plan presentation.	2.	Demonstrate the steps of presenting a business plan	2.	Consider the business professional ethics while presenting a business plan
3.	Describe the techniques for presenting the business plan.	3.	Demonstrate different techniques in presenting a business plan	3.	Consider the information needed by users of the business plan while selecting the technique for presenting the business plan.





Read the following passage and answer the questions on it.

Today there are numerous businesses that are only in ideas and those people claim that
they don't have the funders to whom to present their businesses and they don't have
advisers in business practices and they even pronounce that money lenders like banks
charge unaffordable interest rates on the borrowed funds when they try to borrow for
financing their businesses.

Required: Answer the following questions in pairs:

- a. What is the meaning of business plan presentation?
- b. Is important to present a business plan? If the answer is YES, Justify
- c. What types of preparation required for presenting the business plan
- d. Identify the steps involved in presentation of business plan presentation.
- e. What do you think are parties to present business plan to
- f. Identify the procedures involved in business plan presentation.

Topic 4.1: Preparation of business plan presentation



Activity 1: Problem Solving



Read the following scenario and answer the questions on it.

- 1. Your friend Mr. Neza is fresh graduate for TVET school. He has has designed a business plan that needs 20,000,000 Frw as a capital but he doesn't have all the capital for starting the operations. In his district, there is NGO that normally facilitate provide funds/capital for the newly profitable businesses of youth who have well designed and presented their business plan.
 - a. What do you understand by the business plan presentation?
 - b. What are the purpse of business plan presentation?
 - c. Outline the steps followed in preparation of business plan presentation.

Key Facts 4.1a: Preparation of business plan presentation

Meaning of business plan presentation.

Business plan presentation is a plan designed to tell your idea to investors through a concise and engaging overview of what your business does, how it fills a consumer need and what you are looking for in terms of an investment. A business plan presentation is a summary of your business idea which highlights the company's purpose, business model, funding requirements, development status, and other business essentials.

- Purpose of business plan presentation
 - √ Financial support
 - ✓ Strategic orientation/Strategic and planning
 - ✓ Attracting investors/Investor pitch
 - ✓ Communication of vision and mission
 - ✓ Internal alignment
 - ✓ Risk mitigation
 - ✓ Market analysis
 - ✓ Operational details

- ✓ Financial projections
- ✓ Marketing and sales strategy
- ✓ Accountability and measurement

Types of business plan presentation

- ✓ Content preparation: Organize what you are going to tell your audience by make an emphasis on:
 - Business executive summary.
 - Company description.
 - Market analysis.
 - Organizational structure.
 - Product, and service offerings.
 - Marketing and sales plans and
 - Financial projections.
- ✓ Material preparation: Organize materials that will be used such as computer, projector, PowerPoint, printed business plan document, and prototypes of the product (good/service) that you intend to produce in the future time, brochure, business cards, the power supply should also have maintained and its back up in case of uninterrupted power supply like generator, and others related business materials needed.
- ✓ Psychological preparation: Organize yourself. The more organized you are, the
 more professional you will appear. Before an entrepreneur starts the presentation
 of his business plan; he/she must be steady in mind, stay alert in responding, and
 avoid misinterpretation of his/her business plan.

Steps involved in preparation of business plan presentation.

- ✓ Analyze your audience
- ✓ Select topics
- ✓ Define the objective of the presentation of a business plan
- ✓ Prepare the body of the business plan to be presented and anticipate the questions from the audience
- ✓ Prepare the suggestions and conclusion.
- ✓ Deliver the presentation of the business plan.





- 1. In reference to the scenario in activity 1 (For Mr. Neza), answer the following questions:
 - a. Explain to Mr. Neza the purpose of business plan presentation.
 - b. Highlight the steps that Mr. Neza have to follow while presenting the business plan to the interested NGO.





Read the following short passage and answer the questions on it.

 As a graduate students or trainee who have acquired knowledge and skills related to the business, you are invited by the local leaders to train the community members who are running business to present their business plan to the interested NGOs. Train those business owners on the steps they have to follow while preparing for business plan presentation.

Topic 4.2: Explanation of different ways to present the business plan



Activity 1: Problem Solving



- 2. Referring to the scenario of the discovery activit (LU3), answer the following questions in pairs:
 - a. Who are the parties to whom a business plan is presented?
 - b. What procedures involved in business plan presentation?

Key Facts 4.2a: Explanation of different ways to present the business plan

- Parties to present the business plan:
 - ✓ **Shareholders:** a shareholder is any person, institution or company that has ownership of at least one share of a company's stocks.
- Importance of business plan to shareholders
 - ✓ To create a new business
 - ✓ To better understand your competition
 - ✓ To better understand your customer
 - ✓ To determine your financial needs
 - ✓ To help you research and know your market
 - ✓ To judge the success of your business.

Stakeholders: Is a party that has an interest in a company and can either affect or be affected by the business. The primary stakeholders in a typical corporation are its Investors, employees, customers, and suppliers.

The entrepreneur therefore should be prepared to meet these stakeholders and shareholders to present, discuss, and defend his business plan, and such preparation may require him to consider the following:

- ✓ He should study and be thoroughly conversant with his plan. He should know the
 assumptions and factors undertaking the figures therein.
- ✓ He should have solid knowledge about his market or target market.
- ✓ The entrepreneur should know how much is required to finance the business.

 The source of the funds and their implications and how he will meet the commitment arising from them.
- ✓ The entrepreneur should know his abilities, challenges, and how he plans to use or manage the business in the course of the implementation of his business plan.
- ✓ To judge the success of your business.
- ✓ He should remain focused on his presentation on what he requires from financiers and should avoid meandering or going off-topic.
- ✓ In his presentation; he should be seen or heard as someone seeking to establish a relationship with financiers and not a beggar.

• Procedures involved in business plan presentation

- ✓ Connect with your audience:
- ✓ Paint a picture in your audience's minds:
- ✓ Put credible content
- ✓ Use statistics and data

The above procedures are further explained below:

Connect with your audience by respecting the following:

- ✓ **Business differentiation.** While an entrepreneur presents the business plan, he needs to focus on the business's attractive projection and business assumption which lead the business to be successful at the implementation/operations periods to make emotional bank accounts in the hearts of stakeholders and shareholders.
- ✓ **Simple language.** While presenting a business one who is presenting, the entrepreneur must use simple and appropriate language by avoiding grammatical mistakes, to be sure that his first impression is good, because he needs/intends to be perceived as smart/wise, and to be truthful in what he is presenting. Your message needs to be clear and concise.

✓ **Presentation touch at a personal level:** Use pointer words. For example: "I will discuss three of the financial statements that are most important to investors.

• Paint a picture in your audience's minds:

- ✓ Pick out great images and visuals. Here entrepreneur should provide a clear image that shows how his product will look like at the time, it will be produced, here there will be a need to focus on a brand name, shape, color, packaging, tastes, quality, and quantity. This is how your product will look and serve its purpose in front of the final end-users, (customer/Client).
- ✓ **Lasting impression.** Leave the audience with something they will remember about your presentation.

1. Put credible content:

This is the degree to which your audience trusts and values your information, expertise, and authority. The successful entrepreneur must meet the criteria of producing a quality product as stated by the government agency and ministry concerned with the quality of a product such as MINISANTE (Ministry of Health), or RSB (Rwanda Standard Board).

2. Use statistics and data by:

- ✓ Graphs
- ✓ Charts

Graphs and charts are a great way to convey complex information. Integration of charts in your presentation can be quite powerful in convincing an audience of a particular point.

Advantages of using graphs and charts in presentation

- ✓ Show each data category in a frequency distribution
- ✓ Display relative numbers or proportions of multiple categories
- ✓ Summarize a large data set in visual form
- ✓ Permit a visual check of the accuracy and reasonableness of calculations
- ✓ Be easily understood due to widespread use in business and the media.





- 1. In reference to the scenario in the discovery activity (LU4):
 - a. Which parties to whom business plan a business is presented?
 - b. What do you think are procedures followed in business plan presentation?





Task 46:

Read the following scenario and answer the question on it in pairs:

Let's say that you own a business that deals with dairly products and the Ministry of Youth has the project of funding the outstanding buisnesses that have been well designed and presented. Write the letter to the local authorities describing the ways you will use can you go through while presenting your business to the Ministry of Youth?

Topic 4.3: Presentation of business plan







Referring to the above figure, answer the following questions in pairs:

1. Which techniques are used to present a business plan to the interested parties?

Key fact 4.3 Presentation of business plan

Description of techniques for presenting the business plan

Introduction

Before selecting technics for presenting a business plan be cautious with the Do's and Don'ts on a business plan presentation. The main purpose of being careful with the Do's and Don'ts is to make a presentation. appealing and attractive to the interested audience/Business Plan

Do's and don'ts on a business plan presentation:

- The Do's of business plan presentation:
 - ✓ **Use visuals**: Charts and graphs speak louder than words.
 - ✓ **Be concise**: Avoid using too much text; let your slides complement your speech.
 - ✓ Rehearse: Practice makes perfect. Be well-prepared for questions.

- ✓ Engage your audience: Make your presentation interactive. Ask questions and involve your audience.
- ¹⁶The Don'ts of business plan presentation:
 - ✓ **Overload with information**: Stick to the essentials.
 - ✓ Read slides word-for-word: Your presentation should augment your words, not replace them.
 - ✓ **Waste time**: Keep your presentation within the allocated time frame.
 - ✓ **Lack confidence**: Believe in your business and your presentation.

• Techniques to present your business plan

- ✓ Only write key points
- ✓ Do not read them, speak about them
- ✓ Use visualization, pictures, symbols, color, and tables
- ✓ Be short, concise, and come to the point, not more than 10 min.
- ✓ React positively to questions
- ✓ Use body language, voice, and appearance
- ✓ Try to convince.
- ✓ Integrate comments, suggestions, and remarks in the business plan.

Feedback, comments, suggestions, and remarks from customers, employees, and other stakeholders should be an integral part of your business plan development.

For instance:

a. Integrating comments into your plan is very important. when you integrate employees' comments into your plan, they will clearly understand your organization's strategy and goals.

They will also become more productive. Because they helped develop your strategy and goals, they will be more motivated to help you achieve them.

b. Integration of comments from customers can also help you in planning. Their comments inspire your business to create better products and provide improved customer service while supporting a marketing channel for obtaining new customers and maintaining trust and brand loyalty. It should fuel your whole operation.

¹⁶ https://www.prezent.ai/zenpedia/business-plan-presentation-guide

✓ Plan to maintain and enforce relationships with stakeholders (audience) for future collaboration.





Let's say that you own a business that deals with dairy products and the Ministry of Youth has the project of funding the outstanding businesses that have been well designed and presented. Describe techniques you can use for presenting your business plan to the Ministry of Youth.





Let's say that you own a business that deals with dairy products and the Ministry of Youth has the project of funding the outstanding businesses that have been well designed and presented. Write a letter to the Ministry of Youth describing the techniques you will use while presenting your business plan.



Question: In a group of 4, present the business plan prepared at the end of Learning Unit two (2)



Points to Remember

- The purpose of business plan presentation.
- Types of preparation required in presentation of business plan.
- Steps followed while presenting a business plan
- Parties to whom a business plan is presented
- Procedures involved in business plan presentation
- Description of techniques involved in business plan presentation.



1. Read the statements across the top. Put a check in a column that best represents your level of knowledge, skills and attitudes.

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
Define the business plan presentation					
Explain the purpose of					
business plan					
presentation					
Identify the types of preparation required					

My experience Knowledge, skills and attitudes	I do not have any experience doing this.	I know a little about this.	I have some experience doing this.	I have a lot of experience with this.	I am confident in my ability to do this.
for presenting the business plan.					do tris.
Describe the steps involved in preparation of business plan presentation.					
Describe the parties to present business plan for the business.					
Describe the procedures involved in business plan presentation.					
Describe the techniques for presenting the business plan.					

2. Fill in the table above and share results with the trainer for further guidance.

Areas of strength	Areas for improvement	Actions to be taken to improve
1.	1.	1.
2.	2.	2.
3.	3.	3.

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