SECTOR: ALL

SUB-SECTOR: ALL

LEVEL5: ALL

NO	Elements of competence	Learning Out comes
1	Identify activities to be accomplished before real business operations	**1.1** Verify business start-up requirements **1.2** Recruit employees in line with task requirements **1.3** Perform purchasing of business requirements in line with business plan
2	Create a productive working environment	**2.1** Set business ethical conduct **2.2** Assign responsibilities in accordance with organization structure **2.3** Match personal characteristics with business requirements **2.4** Maintain good relationship with customers and suppliers
3	Run real business operations	**3.1** set short-term business goals **3.2** Optimize the utilization of available resources **3.3** Employ targeted promotional and marketing campaigns
4	Monitor and evaluate the business	**4.1** Prepare a daily report of business activities **4.2** Organize of employee's meeting in accordance with customer's inquiries and needs **4.3** Consult a business plan

EARNING UNIT ONE: IDENTIFY THE ACTIVITIES TO BE ACCOMPLISHED BEFORE REAL BUSINESS OPERATIONS.

Learning outcomes 1.1. Proper verification of business start-up requirements.

General introduction.

1.1. Meaning of organization

A social unit of people that is structured and managed to meet a need or to pursue collective goals. All organizations have a management structure that determines relationships between the different activities and the members, and subdivides and assigns roles, responsibilities, and authority to carry out different tasks. Organizations are open systems--they affect and are affected by their environment.

Meaning of business organization

Business is an entity aimed at carrying out on commercial enterprise by providing goods and services to meet needs of customers.

Business organization is the legal set up of your business or the ways your business is constructed.

1.2. Types of Business Organization.

There are several kinds of business organization, but they are divided into two main classes; **unlimited liability and limited liability**. It is essential to understand that liability in the context of a business organization means risk.

In an unlimited liability, the owners of the company are liable for sharing debt, penalties and any other losses associated with their collapse. In a limited liability organization, there is a limit to how much the company owners can be held personally liable for damages and legal costs.

Unlimited Liability Business Organizations

Sole Proprietorship

A sole proprietorship is a sole owner of a business who is responsible for all profits, losses, assets and liabilities. Much sole proprietorship has separate operating names, but it is not required since taxes are paid through the owner's Social Security number. When someone describes themselves as “self-employed,” they’re often functioning as a sole proprietorship. It requires less paperwork to set up a sole proprietorship and in some regions, no paperwork or formal set-up is required at all.

A sole proprietor oversees all aspects of the company. They may have a full-time staff or outsource work to sub-contractors or freelancers. A sole proprietorship is less expensive to start up than some other forms of business organization. The disadvantage of a sole proprietorship is that the business owner assumes all risk and his personal assets are at stake in case of business failure, a lawsuit or other unforeseen financial disasters. Sole proprietors are therefore often at a disadvantage when it comes to raising capital for their enterprise. Lenders and investors will not only consider the feasibility of the business itself but largely base their decision to lend money on the personal credit history of the business owner.

General Partnership

There are**two**kinds of partnerships, **a general partnership and a limited partnership**. Like the sole proprietorship, there is no limitation on personal risk as a general partnership. In a general partnership, a group of two or more people share authority and the responsibility of risk for the company. Each partner can make choices about governance, but each also assumes their equal share of liability or more, since all partners are "jointly and severally liable." This means that should things go sideways and creditors call their debts, if one partner is unable to pay their share of the debts, the other(s) must pay up, even if they have already paid their portion. Each person involved in a general partnership is wholly liable but also empowered to act on the business's interest.

Limited Liability Organizations

Limited Partnership

A limited partnership must have a general partner who assumes the risks and bears the burden of running the business with the legal authority to make any and all decisions. A limited partner is not able to act in a company leadership role, and their financial and legal risks in running the company are limited by a partnership contract that stipulates where their responsibilities end. Ultimately, the limited partner is an investor in the business while the general partner makes the day-to-day business decisions and assumes the personal risk for the legal and financial dealings of the company.

Limited liability partnerships (LLPs) are often the organizational type used by doctors and lawyers. These organizations allow for protection of personal assets when other partners cannot meet their share of debt or other financial burdens. Each partner is generally only liable to the extent of his or her investment.

Corporation: Is the most common choice of a business organization and outside investors prefer them. Corporations are created by having shareholders who share in the profit of the company but are not held liable for debts or legal issues.

When it comes to day-to-day operations, a corporation with multiple shareholders generally elects a board of directors who are responsible for hiring, firing and other aspects of the daily business. The board of directors can be subject to personal liabilities, depending on regional tax laws and their contract. Corporations dominate the business landscape and include companies like **Coca-Cola**, **Toyota** and many larger and medium-sized businesses. Once a corporation ceases to operate, the assets are sold off and monies are divided among the shareholders.

Limited Liability Company A limited liability company (LLC) has flexible tax reporting options and is similar to a corporation in that personal and business finances must be kept separate, and personal assets are protected from business liabilities. Single owner limited liability Company have the choice to be taxed either as a sole proprietorship or a corporation.

are that Limited liability company can have a highly flexible management structure, making it possible to run the company more like a traditional partnership while enjoying the liability protections of a Limited liability company. Taxes for a Limited liability company are similar to aCorporation in that the profits are taxed at a personal level for all LLC "members." Members are similar to shareholders, but Limited liability company stocks can be issued with several different classes and different rights, so those who hold stocks are considered members rather than shareholders.

Unlike a limited partnership, any losses suffered by a Limited liability company can be used as deductions against income.

Common features of business organization:

1. Formal structures
2. Aims to achieves objectives
3. Use of resources requirements of directions
4. Legal regulations to controlling them.

- **Review question**.

Q.1.**Why you need a business organization?**

1.3. MEANING OF BUSINES REQUIREMENTS (BUSINESS NEEDS)

Business requirement is something that business needs to do or to have in order to stay in business; they help the business to deliver highest value to the customer.

A business requirement can be:

-Process they must complete

-A piece of data they need to use for that process

-A business rules that governsthat process and that data.

Different office equipment's like office Equipment's, OfficeFurniture's,offices supplier raw material and financial resources.

Common features of business objectives

1. Formal structures

2. Aims to achieve objectives

3. Use of resources requirement of directions

4. Legal Regulations to controlling them.

1.4. STEPS OF BUSSINE REQUIREMENTS ESTIMATIONS OR ANALYSIS

1. **Break the effort into manageable pieces.** We can estimate a whole lot better when our business analysis phase(s) are small. It is easier to estimate specific business process than business process.

2. **Choose your approach**. We will estimate differently if we are using adequate approaches.
3. **Use a variety of estimating techniques**. On many projects we cannot be precise about our estimates when we're first asked how long business analysis will take. We usually use analogous estimating, or experience with a previous project. If we have good history, we might be able to use parametric estimates. For example, if we know that it takes four hours to model a business process and we have five processes to model, it will take twenty hours to model business processes.
4. **Brainstorm.** Talk with the people who are actually going to do the work. They usually have a more realistic idea of what needs to be done and how long it will take.
5. **Identify all the deliverables/artefacts.** Make sure you know your deliverables before attempting to identify the tasks needed to produce them. Here are a few examples of deliverables: user stories, agendas and minutes.

LIST OF BUSINESS REQUIREMENTS ESTIMATION DEVELOPMENT.

1. Develop Requirement.
2. Write and documents requirements
3. Check it completeness
4. Analyse, define and decompose requirements
5. Validate requirements.
6. Manager and allocate your requirements.

.Steps guiding to starting a business

1. Evaluate your self
2. Think the business idea
3. Do market research
4. Get feedback
5. Make it official
6. Write your business plan
7. Finance your business
8. Develop your product
9. Start building your team
10. Find a location
11. Start getting some sales
12. Grow your business.

1.4. BUSINESS LOCATION

Location of business is a place where it is situated.
The businessperson in order to choose location, he/she has to make careful assessment of cost. The ideal location would be one where cost is minimized. Where had to offer as well the benefits.

1.4.1. FACTORS TO CONSIDER WHEN CHOOSING BUSINESS LOCATION.

1. Availability of raw materials

If you intend running a manufacturing or production business, then availability of raw materials is a factor you must not joke with when choosing your business location. If your business is not sited close to these raw materials, then sourcing and transportation will reduce your profit margin.

2. Nearness to market

The next important factor to consider is the nearness of your business to its customers. Are your customer's resellers or end users? Answering this question will help you determine the best area to locate your business. Remember that for your business to succeed, you must make it easy for customers to find your product.

3. Availability of basic infrastructure

Availability of basic infrastructure can affect your choice of small business location. Infrastructure such as water supply, power supply, good road network and security are things to consider when locating your business.

4. Economic policy

The economic policy or system of a particular region may also affect your decision and choice of location. Some economy favour capitalists and others are driven by socialism;

where the government controls all businesses. Other sub-factors to consider are government's policy, fiscal and monetary policy, exchange rates, taxes, levies and duties.

5. Demographics

Demographics as a factor can have a big influence on your choice of business location. The type of product or service your business offers and the status of the customers will play a vital in your choice of small business location. I will share an example:

Suppose you are into the business of selling stationeries. That means your demographics should be made up of students, so your best bet of location should be within school vicinity.

6. Psychographics

The mind set of your customers or the aura of a particular region is also a factor to consider when choosing a location for your small business. For example; if you site your business in a region where tribalism thrives, then you are doomed if you are not a member of the tribe.

7. Industrial Clusters / areas

Some entrepreneurs may decide to site their business in industrial areas or clusters due to the infrastructure and amenities already on ground. Industrial areas are areas mapped out specifically for commercial purposes especially manufacturing firms.

These areas are sometimes given special attention such as good road network, constant power supply, etc. In some certain regions, heavy duty manufacturers are forced by the government to site their companies in these industrial areas.

8. Export processing zones

Locating your business in an export processing zone may be a smart choice for you especially if are an exporter. Locating your business in such regions means a reduction in transportation cost, faster inspection and clearance of your products by custom officials and so on

9. Free trade zones

International free trade zones and trade fair centers are also good places to site your business because it is accessible and normally receives wide publicity.

10. Distributive channel

If your business does not deal directly with end users or final consumers, then it's wise to put your distributive channel into consideration when choosing a location for your small business. The more you make it easier for your distributors to access your products, the better for your business.

Starting up business require both office furniture's,office equipment and network equipment. All these requirements should be well arranged in order to ensure goods working place layout.

- **Essential office equipment**.

1.Business telephones system, 2.Computer and different software, Computer network and internet

3.Computer network and internet, printer, smartphone,mailing, furniture,stationery.office suppliers.

In order to start –up business,entrepreneur must identify the following issues:

-Business requirement.

-Business Location include:working place layout or arrangement,office equipment,office supplier

-Raw material for initial storage include:-production equipment and machinery,

-production consumable

-Financial means includes: -amount needed;

- Financial resources

- Allocation of finance

REVIEW QUESTION QUESTIONS FOR 1ST LEARNING OUTCOME

Q1.1As future entrepreneur, Illustrate the main business requirements to start-up your business./**5marks**

Q.2.Suppose that you want to start-up a handcraft business, how to get money to start-up your business(develop 5 ways to raise money for new business).**5marks**

Q.3.Develop 12 steps guide you to starting a business./**6marks**

Q.4. Knowing that getting a good location is very critical to the success of business, Explain the factors to consider when choosing a business location.1**0marks**.

Learning outcome 1.2. Recruit employees in the line with task requirements.

2.1. Meaning of employee recruitment.

Recruitment is a process of finding and hiring the best-qualified candidates from within or outside of organization for job opening in timely and cost effective manner. The main purpose is to select those who best meet the needs of organization.

2.2. Functions of employee's recruitment.

Recruitment is the process by which companies find and hire new employees. This process contains seven major activities, or functions. As recruiters and managers progress through the recruitment process, they use data and analysis to develop and then pare down a pool of applicants, eventually selecting one candidate to hire.

Function of employee's recruitment(recruitment steps)

1.Job Design and Development: In order to find someone to work for a company, a recruiter first has to know exactly what the company needs. The first function of recruitment thus is to identify what the new employee will do and what qualifications and experience is necessary to complete the work tasks. From the identified points, the company develops a formal job description and sets a basic pay scale.

2.Identifying and Seeking Candidates

Once the recruiter knows what type of employee the company needs, he figures out what segments of the population might be able to do the job and where to recruit. For instance, if the company needs an information technology professional, then the recruiter may consider recruiting through information technology programs, journals or conferences, as well as computer repair stores.

3.Receiving and Tracking Applicants

Potentially hundreds or even thousands of people can apply for a single job. The recruiter **keeps track of the applications** that come in through spreadsheets and databases. He tries to organize the information so that the candidates who appear most qualified are easy to find and contact.

5. **Reference and Background Checks**

Another function of recruiting is verifying the experience and work ethic of the candidate. Recruiters do this by contacting the references the candidates list on their applications. They also do a basic background check to see if the candidate has any criminal history that might indicate the employee would not be able to perform the job properly or would pose a risk.

6. **Testing**

When the recruiter has narrowed down the pool of applicants, he invites applicants to take basic tests. These tests are additional tools the company uses to determine if the applicant has the knowledge and competence necessary to do the job. The test may be hands-on or oral, but more often it is written.

7. **Interview**

When a company has a pool of applicants that are qualified, experienced and who score well on aptitude tests, managers set up interviews. The interview gives the managers a chance to get a sense of what each candidate is like and talk with each applicant in depth about his experience and qualifications. Interviews are very important because they show the managers how the employee might interact with others on the job and how professional he can be.

8. **Evaluation and Hiring**

The final functions of recruitment are the evaluation of all the information gathered about the candidates managers still are considering. Based on this data, the managers think critically about what they have learned about the applicants and what the company needs. They make a final hiring decision and contact the person they want to have the job. If the applicant selected accepts the job, then the managers proceed to negotiate a salary and handle the formal aspects of hiring, such as filling out human resources paperwork.

2.3. PRINCIPLES OF STRATEGIC EMPLOYEE RECRUITMENT

The following is a list of principles, laws, or guidelines to help you design and implement effective recruiting strategies and approaches:

1. A well-defined strategy.
2. Pipeline approach
3. Competitive
4. Global
5. Target employed “non-lookers
6. Sourcing is critical
7. Build a recruiting culture.
8. Prioritize jobs and targets
9. Diversity.
10. Selling applicants.
11. Technology.
12. Integration.
13. Talent shortages.
14. Remote work options.
15. Metrics and rewards impact recruiting

2.4. FACTORS INFLUENCING ENPLOYEE’RECRUITMENT.

24.1. The source of recruitment.

To recruit, Managers use many sources. These sources are classified as either internal or external.

- **Internal sources**
  Internal sources of recruitment refer to hiring employees within the organization through:
- **Transfers**
- **Promotions**
- **Employee recommendations**
- **Retrained employees**
- **Department reorganizations.**

- **External Sources**

- External sources of recruitment refer to hiring employees outside the organization through:

- **Private employment agencies**
- **Public employment agencies**
- **Personal applications**
- **Management consultants**
- **New graduate**
- **Former employee**
- **Part-time applicants**
- **Competition organizations'**
- **Union organization**
- **Advertisements**
- **Temporally help services**
- **Trade school**
- **Colleges placement**
- **Trade association**
- **News paper**
- **Business association**
- **College professors**
- **Internet**
- **Job fairs**
- **Cooperatives education internships**

2.5. RECRUITMENT PROCESS

1. Recruitment Planning (Setting Plan and forecasting)

Recruitment planning is the first step of the recruitment process, where the vacant positions are analysed and described. It includes job specifications and its nature, experience, qualifications and skills required for the job, etc

2. Recruitment Strategy(Write job description and job Specifications)

Recruitment strategy is the second step of the recruitment process, where a strategy is prepared for hiring the resources. After completing the preparation of job descriptions and job specifications, the next step is to decide which strategy to adopt for recruiting the potential candidates for the organization.

The development of a recruitment strategy is a long process, but having a right strategy is mandatory to attract the right candidates. The steps involved in developing a recruitment strategy include −

- Setting up a board team
- Analysing human resource strategy
- Collection of available data
- Analysing the collected data

3. Searching the Right Candidates

Searching is the process of recruitment where the resources are sourced depending upon the requirement of the job. searching involves attracting the job seekers to the vacancies. The sources are broadly divided into two categories: **Internal Sources** and **External Sources**.

4.Screening / Shortlisting

Screening is an integral part of recruitment process that helps in removing unqualified or irrelevant candidates, which were received through sourcing.

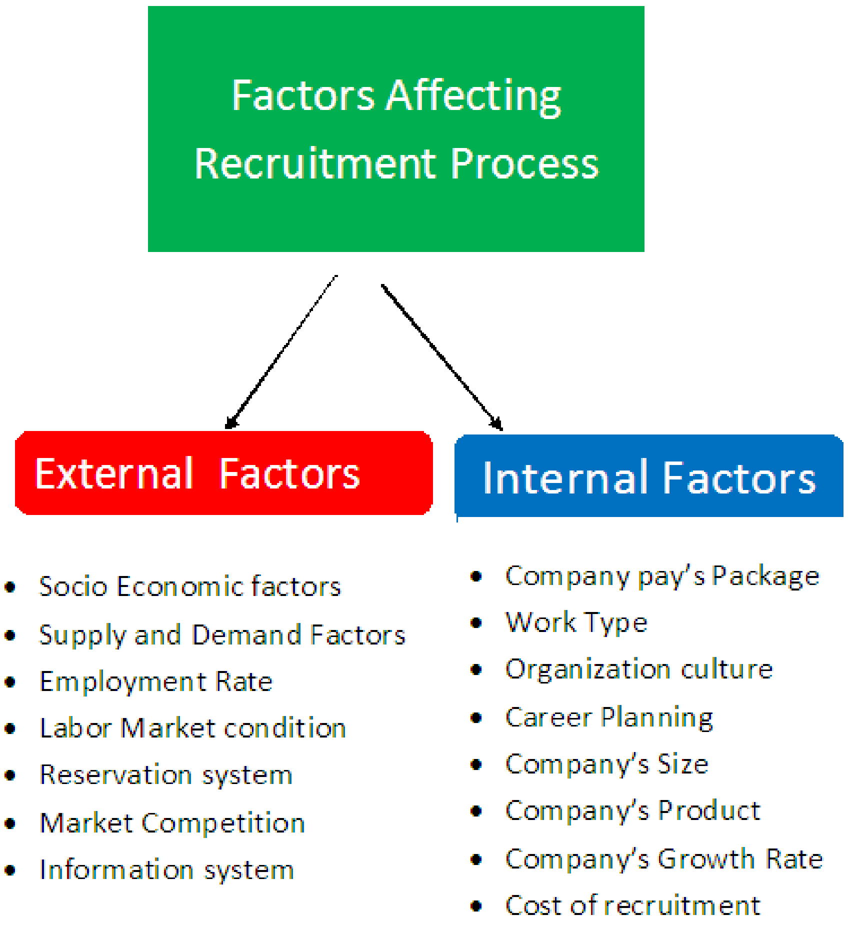
4. Evaluation and Control

Evaluation and control is the last stage in the process of recruitment. In this process, the effectiveness and the validity of the process and methods are assessed. Recruitment is a costly process; hence it is important that the performance of the recruitment process is thoroughly evaluated.

2.6. Recruitment stages.

1. Define your need for recruiting
2. Plan carefully
3. Write an awesome job description
4. Searching/sourcing
5. Screening/shortlisting Identify the best candidates
6. Interview
7. Offer
8. Hiring
9. Integration or On boarding

2.4.2. FACTORS INFLUENCING Employees' recruitment.



INTERNAL FACTORS

The internal factors likewise term as endogenous elements are the components inside the association that impact selecting in the organization are:

1. Recruitment Policy

The recruitment policy of the organization i.e. recruiting from internal sources and external also affect the recruitment process.

2. Human Resource Planning

Effective human resource process and procedure helps in fixing the loops present in the existing manpower of the organization.

3. Size of the Organization

The size of the organization affects the recruitment process.

4. Cost involved in recruitment

Recruitment process also count the cost to the employer, that why organizations try to employ the source of recruitment which will be cost effective to the organization for each candidate.

5. Growth and Expansion

Organization will utilize or consider utilizing more work forces in the event that it is growing its operations.

EXTERNAL FACTORS

The external forces are the forces which cannot be controlled by the organization. The major external forces are:

1. Supply and Demand

The availability of manpower both within and outside the organization is an essential factor in the recruitment process.

2. Labor Market

Employment conditions where the organization is located will affected by the recruiting efforts of the organization.

3. Goodwill / Image of the organization

Image of the firm is another factor having its effect on the organization.

4. Political-Social- Legal Environment

Different government controls forbidding separation in contracting and work have coordinate effect on enlistment practices.

5. Unemployment Rate

The Element that influence the availability of applicants is the economy growth rate .

6. Competitors

Time to time the organizations have to change their recruitment policies and manuals according to the policies being followed by the competitor.

2.4.3. Methods of recruiting Employees

There are two principal ways to recruit workers: internally and externally. Most companies will actively use both methods, ensuring opportunities for existing employees to move up in the organization while at the same time fielding new talent.

Internal recruitment.

Internal recruitment is often the most cost effective method of recruiting potential employees, as it uses existing company resources and talent pool to fill needs and therefore may not incur any extra costs.

Examples of Internal recruitment:

Advertising job openings internally

using networking: This method can be used in a variety of different ways. First, this recruitment technique simply posts the question to existing employees on whether anybody is aware of qualified candidates that they know personally which could fill a position.

EXTERNAL RERECRUITMENT

External recruitment: focuses resources on looking outside the organization for potential candidates and expanding the available talent pool. The primary goal of external recruitment is to create diversity among potential candidates by attempting to reach a wider range of individuals unavailable through internal recruitment

WAYS USED TO RECRIUT FOR EXTERNAL METHODS

- Using newspaper classifieds to radio announcements
- campus visits
- Head-hunters and recruitment services: These outside services are designed to essentially compile a talent pool for a company; however, they can be extremely expensive. Although this service can be extremely efficient in providing qualified applicants for specialized or highly.
- Online recruitment: The use of the Internet to recruit a talent pool is quickly becoming the preferred way of doing so, due to its ability to reach such a wide array of applicants extremely quickly and cheaply.

REVIEW QUESTIONS FOR LEARNING OUTCOME 2.

Q.1.Explain the importance of employee's recruitment

Q2.using typical examples, describes methods that companies use to recruit new employee and explain some of issues that make recruitment challenging Ref pge 356 understanding business 6th Edition.

Q.3.Examine the stages of employee’s recruitment.

What are the steps of the recruitment process?

Why is recruitment so important for new companies?
What are the common types of recruiting challenges that organizations face?
What is the role of the hiring manager?
What are some common methods for Generation Y recruitment?

What is the difference between recruitment and selection?

Learning outcome 3: perform purchasing of business requirements in line with business plan.

3.1. Meaning of purchasing.

The activity of acquiring goods or services to accomplish the goal of an organization.

The major objectives of purchasing are:

Maintain the quantity and value of company’s product

1. **Minimize cash tied-up in inventory.**
2. **Maintain flow of inputs and outputs**
3. **trengthen the organization competitive position.**

3.2. Types of purchasing.

- **Mainly there is two types of purchasing**.

A. Centralized purchasing
B. Decentralized Purchasing

A. Centralized Purchasing

A purchasing system in which all the departments of a company with a wide geographical distribution can make purchases through a common purchasing organization.

B. Decentralized Purchasing

Decentralized purchasing refers to purchasing materials by all departments and branches independently to fulfil their needs. Decentralized purchasing helps to purchase the materials immediately in case of an urgent situation.

MERITS OF CENTRALIZED PURCHASE

The following are the merits of centralized purchase.

1. Better material control
2. Better layout of storage space.
3. Utilization of high technical skill.
4. Minimum finance required.
5. Better supervision of materials usage.
6. Less clerical work.
7. No duplication of purchase.
8. Better facility for stores audit.
9. Quick stocktaking.
10. Lower cost of insurance.

DEMERITS OF CENTRALIZED PURCHASE

The following are the demerits of centralized purchase.

1. High cost of internal transport.
2. Non-availability of materials for production in time.
3. Greater risk of obsolescence.

MERITS OF DECENTRALIZED PURCHASE

The following are the merits of decentralized purchase.

1. Less cost of internal transport.
2. Timely availability of materials.
3. Lower chance of obsolescence.

DEMERITS OF DECENTRALIZED PURCHASE

The following are the demerits of decentralized purchase.

1. Poor layout of space
2. More finance required.

3. Less technical skill is obtained.

4. More clerical work.

5. Duplicate purchase of materials.

6. Slow in stock taking process.

7. High cost of insurance.

3.3. PRINCIPLES OF PURHASING

Some of the major principles of purchasing are:

1. Right Quality:
The term right quality refers to a suitability of an item for the purpose it is required.

2. Right Quantity:
Materials purchased should be of right quantity. The right quantity is the quantity that may be purchased at a time with the minimum total cost and which obviates shortage of materials.

Economic Order Quantity (EOQ) helps in determining the right quantity of materials to be ordered. It is calculated by applying the following formula:

3. Right Time:
The time at which the purchases are to be made is of vital importance. In case of items used regularly, right time means the time when the stock reaches the minimum level. The reorder level of material is fixed for each item under the principle of right time.

4. Right Source:
Selecting the right source for the purchase of materials is an important consideration in the purchase procedure. The right source for the procurement of materials is that supplier who can supply the material of right quality as ordered, in right quantity as ordered.

5. Right Price:
Determination of right price is a difficult task. It is the main object of any organisation to procure the material items at the right price. It is that price which brings the best ultimate value of the money invested in purchasing the materials.

6. Right Place:

Besides obtaining the materials of the right quality and quantity from the right source at the right price, it should be ensured that the materials are available at the right place. Transportation and material handling costs are greatly affected by the selection of the right place from where the materials are to be acquired.

3.4. PURHASING PROCESS

purchasing is the formal process of buying goods and services. The **purchasing process** can vary from one organization to another, but there are some common key elements.

The process usually starts with a demand or requirements. this could be for a physical part an inventory services economics.

Meaning of purchasing process

The set of procedures used to identify products for purchase, verify quality and compliance of products and vendors, carry out purchasing transactions, and verify that operations associated with purchasing have been executed appropriately. Different organizations have buying processes of varying complexity, depending on the industry in which they work and the nature of the products being purchased.

1.Requisition which details the requirements done by procurement department.

2. A request for proposal (RFP) or request for quotation(RFQ)is then raised.
   Supplier sent their quotation in response to the request for quotation and Review in undertaken where the best offer typically based on price, availability and quality is given purchaseorder.

3.5.DOCUMENTS USED IN PURCHASING PROCESS

- ✓ Material requisition
- ✓ Inquiry
- ✓ Reply or quotation
- ✓ Purchase order
- ✓ Advice note
- ✓ Delivery notes
- ✓ Good received notes
- ✓ Invoice
- ✓ Debit notes
- ✓ Credit notes
- ✓ Receipt.

3.6. MEANING OF SUPPLIER

A supplier is a person, organization, or other entity that provides something that another person, organization, or entity needs. During transactions, there are suppliers and buyers. Suppliers provide or supply products or services, while buyers receive them.

We commonly use the term '**vendor**' with the same meaning as 'supplier.'

In business, for example, every company has at least one supplier.

<u>3.6. Factors that influencing choice of effective suppliers.</u>

1.Cultural including values.

2.Cost- covering price, total of opportunity

3. experience in the market and currents reference.

4. Flexibility

5.Response to change.

6. Quality product.

REVIEW QUESTION FOR LEARNING OUTCOME 3.

Q1.**Examine the purchasing process.**

Q.2.Identify the main documents used in purchasing process

LEARNING UNIT 2:CREATE A PRODUCTIVE WORKING ENVIRNEMENT.

Learning outcome2.1: set business ethical conduct

2.1.1 .Meaning of ethical conduct

Acting in ways consistent with what society and individuals typically think are good values. Ethical behaviour tends to be good for business and involves demonstrating respect for key moral principles that include honesty, fairness, equality, dignity, diversity and individual rights.

2.1.2.**Objectives of ethical conduct**

Ethical behaviour and corporate social responsibility can bring significant benefits to a business. For example, they may:

- Attract customers to the firm’s products, which means boosting sales and profits
- Make employees want to stay with the business, reduce labour turnover and therefore increase productivity

- Attract more employees wanting to work for the business, reduce recruitment costs and enable the company to get the most talented employees
- Attract investors and keep the company's share price high, thereby protecting the business from takeover.
- Ethics is important to businesses for many reasons. Businesses can increase sales or increase their reputation.

2.1.3. RULES AND REGULATION OF THE BUSINESS.

The principles that governing a business are:

- Positive attitudes
- Sanctions proposed by the law

2.1.4. Types of unethical behaviour in a business.

1. Mistreating employees (Workplace Discrimination)

It can involve hiring or firing, how job assignments are made, how much employees are paid, how promotions are given or denied, opportunities for training, and available fringe benefits. Discrimination can be a violation of law. Another form of discrimination in the workplace is sexual discrimination.

2. Financial Misconduct

Financial misconduct means fraud, gross negligence or intentional or willful misconduct that contributes, directly or indirectly, to the Company's financial.

3. Misrepresentation

A misrepresentation is a false statement of a material fact made by one party which affects the other party's decision in agreeing to a contract.

2.1.5. Technique of encouraging a positive ethical behavior in business.

A company's ethical climate, goals and policies can all have a significant impact on employee behavior. You can help your employees to behave ethically by aligning your company's management practices with your expectations.

1. Rewards

Catch employees "doing something right" and reward ethical behavior.

2 Expectations

Ensure that your company states its values in the employee handbook and that these values are talked about and implemented in everyday business matters by all employees in a supervisory capacity.

3 Training

Through training, explicitly teach your employees how to behave in an ethical manner.

4 Policies

Sometimes implementing a policy to prevent unethical behavior is the best option.

2.1.6. Ways/Methods to address unethical behavior at the workplace.

i) Create a Code of Conduct

ii) Lead by Example

iii) Reinforce Consequences for Unethical Behavior

iv) Show Employees Appreciation

v) Welcome an Ethics Speaker

vi) Create Checks and Balances: Rather than putting related responsibilities in the hands of one employee create a system of checks and balances to minimize the opportunities for unethical behavior.

vii) Hire for Values: When business owners hire employees, many seek to bring on individuals who have the education and experience that prove they are skilled workers, capable of handling the tasks at hand. Employers who want to prevent unethical behavior also look at candidates' values to ensure they mesh with the company's culture.

2.1.7.IMPORTANCES OF POSITIVES ETHICAL CONDUCT IN THE BUSINESS

Ethical behavior and corporate social responsibility can bring significant benefits to a business. For example, they may:

- Attract customers to the firm’s products, which means boosting sales and profits
- Make employees want to stay with the business, reduce labor turnover and therefore increase productivity
- Attract more employees wanting to work for the business, reduce recruitment costs and enable the company to get the most talented employees
- Attract investors and keep the company’s share price high, thereby protecting the business from takeover.

Learning outcome 2.2. Assigning responsibilities in accordance with organization structure.

2.2.1. Meaning of responsibilities assignment in business.

2.2.1. Meaning of Responsibility

A duty or obligation to satisfactorily perform or complete a task that one must fulfill, and which has a consequent penalty for failure.

2.2.2. Attribution of responsibilities.

- ✓ Estimation of volume of task
- ✓ Determination of task's requirements
- ✓ Allowing time to the volume of task**.**

2.2.3. Responsibilities assigned matrix

A common problem in many projects is that team members have a wrong perception of their roles and roles of others. Often enough, there is a difference between what a person thinks their role is and what the organizer thinks they should be doing. As the process goes, this confusion is likely to grow. With time, team members can drift away from what they were assigned to do originally. This can lead to:

- conflicts over who's ought to do the job;
- lack of people to handle crucial tasks
- unbalanced workloads for different team members;
- lack of action because of uncertainty and ineffective communication;
- creation of non-essential and unnecessary tasks to fill time;
- idleness and poor morale.

This is where RACI matrix comes handy. It's a responsibility charting tool that specifies not only who is responsible for a given task, but also the role of each person involved in it. By constructing a RACI matrix, a project manager can make sure that the team members stick to the specific roles he or she wants them to take. It helps avoid any kind of confusion about roles sometime down the line for the project.

Essentially, RACI matrix is a project management tool. RACI stands for **R**esponsible, **A**ccountable, **C**onsulted, and **I**nformed – the four roles assigned to team members. The tasks are normally listed in the first column of the matrix and the team members are listed in the top row of the table. Responsibility charting through creating a RACI matrix brings clarity to what every team member has to do in the project. In addition to that, it serves as a check on what should be done and who's ought to be doing what in the future.

The Four Roles in RACI Matrix

Responsible (R)

"Responsible" refers to the person who actually completes the task – aka "the doer." There always has to be at least one Responsible per each task. If you are missing an R in any of the rows of the matrix – you have a gap that has to be filled immediately.

Accountable (A)

"Accountable" is the person who is ultimately answerable for the activity or decision to be made. This is someone who has the final authority over the task – typically some kind of a manager or senior offices. Typically, you should have the minimum number of people accountable for every task. In most projects, there will be only one person listed as "accountable."

Consulted (C)

"Consulted" is the adviser for the given task or entire project. Normally, this is the subject matter expert whose opinion you seek before making the final decision or action. Keep in mind that you should keep the number of C's to the minimum for each row. Having too many consultants can slow down the process significantly and add unnecessary deliberation and idle discussion. Too many C's can raise the risk of poor performance.

Informed (I)

"Informed" are the people you keep updated on how the process is going. These would be the people who you will notify once the task is completed and who will take action as the result of the outcome. There can be as many "informed" as necessary per process. You usually have only a one-way communication with these people.

Learning outcome 2.3. Match personal characteristics with business requirements.

2.3.1. Ways to Motivate Employees.

1.Incentivize

Although we haven't implemented it yet, we're developing a feedback system that rewards employees for engaging with our wiki and for learning how to use our application via our training videos. We further reward performance based on meeting certain goals.

2. Let Them Know You Trust Them

If you let them know you trust and depend on them, they will fill those shoes sooner than you think. A vote of confidence can go a long way. Let them know you trust them to do the best job possible and they will rarely disappoint you.

3. Set Smaller Weekly Goals

You want lofty ambitions, but set up smaller goals along the way to keep people in it. Rather than make a billion this year, focus on getting 100 new customers this week-something that will get you to that billion. Then reward the team for achieving the goal with an afternoon off, a party, etc.

4. Give Your Employees Purpose

I am able to motivate my employees by giving them a purpose. When you accomplish that, they understand the vision better and are able to execute more strongly. In addition, by understanding their purpose and the purpose of the business, an employee is better able to understand how they fit into the big picture.

5. Radiate Positivity

I'm always pumping energy through the office. I'm really enthusiastic and want my staff to feed off that positive energy. Because culture is so important to me, I play music, have fun, joke around, and play games. We work hard, but we play hard too.

6. Be Transparent

I am very open with employees about what's happening at the highest level so there are no surprises and everyone has a chance to ask questions and give feedback. I want employees to feel included in big decisions and committed to the direction our company takes.

7. Motivate Individuals Rather Than the Team

Aligned incentives are the only true way to ensure everyone on a team is working toward a common goal. Framing the strategy in multiple ways ensures each stakeholder has a clear, personal understanding of how working together benefits himself and the team.

8. Learn What Makes Each Employee Tick

During one-on-one check-ins, listen to their ideas, because they're the best at what they do. Respect their personal schedules and non-work time, and don't ever pit their goals/timelines against each other.

9. Reward Based on Feedback

We developed Valuebot-an app for Slack that calculates how many times each employee was praised-in order to send daily and monthly summaries. Valuebot has helped us to visualize our culture and reiterate how much we support one another. The positive energy we create in the office helps us to attract and retain talent.

10. Prioritize Work-Life Balance

A culture that prioritizes work-life balance, yields increased productivity and overall happiness in the workplace.

11. Have an Open-Door Policy

It's amazing how a simple "please" and "thank you" fares with employees. We simply speak to staff the way we would want to be spoken to. We also have an open-door policy when it comes to suggestions and ideas.

12. Let Them Lead

Motivating employees is not just about giving them vacation time-it's about showing them they make a difference and are valued. Every time we have a meeting, whether large or small, we let a different team member lead the conversation and the topics discussed.

13. Show Them the Bigger Picture

It's important that employees understand the bigger picture and can see how what they are doing in the moment will eventually contribute to an end goal. Give them tasks and projects to work on and make sure they understand how this fits into the big picture.

14. Create Recognition Rituals

At Convene, every management and executive meeting starts off with each department lead recognizing someone from their team who has gone above and beyond for the company or a client. This positive feedback loop motivates team members, and it holds management accountable for staff recognition.

Learning outcome 2.4: maintain good relationship with customer and suppliers

2.4.1 Meaning of term relationship in a business

Business relations are connections between stakeholders in the process of businesses, such as employer–employee relationships, managers as well as outsourced business partners.

2.4.2 Maintaining Customer Relationship with Supplier

For a positive growth of business all customers have to depend, directly or indirectly, on good and reliable suppliers. Apart from their expectations from the supplier the customers also need to be loyal to them so as to strengthen their relationship. Therefore customers should work on building a strong and long-lasting supplier relationship as they do with their own customers. And it is not a complicated process.

The positive customer-supplier relationship begins with the initiative of the supplier to demonstrate his sensitivity to the customer’s needs. A customer always vouches for the conditions of his business deal with the supplier and likes to be honest with them to have a smooth flow of business. But many non-serious suppliers sabotage the deal in the beginning only by making the customer struggle to even getting a relationship started.

The suppliers can affect their relationship in many ways as given below:

- **Satisfaction:** The customer expects overall attention and convenience in all departments to ensure smooth fulfilment of his needs. This includes quality, timeliness, ease of access and commitment of conditions. He wants to believe that the supplier cares for him.
- **Competitiveness:** Customers assess the supplier through competition based on the pricing and quality of their products, its reliability, its technological background and industry trends. These factors affect the deal.
- **Innovation:** It is difficult for the supplier to divert the customer from their quality assessment. Customer knows and lives the products more than the supplier does, as he is working on them and is in a position to suggest innovation and development for the products.

Finance: Suppliers have to be ready for providing financial advantages as loan, extended terms on purchases and postponement of debt when demanded by their loyal customers particularly at their growth stage or when they are into a financial. . It should be remembered that a customer assumes his name only in relation to his supplier. As such in order to be a valued customer to suppliers, here are a few things he should do to motivate them:

1. **Payments always on time.** The customer should always negotiate for favorable payment terms before the deal is initiated. But once the order is placed, the commitment should be honored. Any problems arising in this regard should be properly dealt with to maintain the goodwill and benefits to earn.
2. **Provide adequate flexibility.** The customer should try to give suppliers as much flexibility as possible for them unless there is a compelling, competitive reason not to do it. Unreasonable demands should be avoided. This tendency also connects to quality production.
3. **Personalize the relationship.** The customer should always be in contact with the supplier and visit him frequently, not necessarily only when it is needed. He may also be invited to attend and give suggestions in some of their strategy meetings. Methods of improving business may also be discussed. Sharing of knowledge, opportunities, service benefits, software compatibility etc. would be beneficial for both.
4. **Share information.** The customer should be communicative by keeping the suppliers aware of what is going on in their organization. He may share some of the key strategic information with them. Frequent and open communications are important in understanding each other’s expectations. All relationships begin with self.
5. **Be a demanding but a valued customer.** Being a demanding customer can just be fair. The customer should state his demands clearly and tell his supplier to hold his agreements. At the same time as a valued customer he must always cooperate with him to keep up his commitments without embarrassment. Sharing knowledge, service benefits, media exposure opportunities, software compatibility, efficiencies etc. would add to enhance relationship.

LEARNING UNIT 3: RUN REAL BUSINESS OPERATION

Learning outcome 3.1. Set short-term business goals.

3.1. Set of short term business goals

Goals are a fundamental part of any good business plan. They specify where your business is going and how you'll get there. Like a sailboat crossing the water, if you don't have specific goals, the winds of change, turbulent waters and sudden crises can put your business off course or even sink it

3.1.1 Defining business goals

Simply put, a goal is a written statement describing what you want to achieve within a deadline. Business goals include those for the company as a whole, goals for each department and goals for each employee. Ideally, they should all be aligned so that employee and department goals help the entire company reach its goals.

The words goals, objectives and targets are often used interchangeably. Some companies use the word goals to describe overall goals for the company, with objectives set out for departments and targets to describe individual employee goals.

Goals and Objectives Examples:

Business Goal: Increase profit by $1 million this year.

Sales Department Objective: Increase sales by 40 percent this year.

Sales Rep Targets: Make 20 additional cold calls per week.

Production Department Objective: Decrease returns by 10 percent.

Production Employee Targets: Double check every shipment and sign.

Making SMART Goals Achievable

For decades, managers and business owners have used SMART goals, which ensures that goals are **S**pecific, **M**easurable, **A**chievable, **R**ealistic and **T**ime-bound.

However, research published by the MIT Sloan School of Management in 2018 revealed that there's more to setting company goals than making them SMART. In the desire to make goals achievable, many business leaders wind up making their goals too conservative, too private and too rigid in the face of dynamic market conditions.

3.1.2. CATEGORIZATION OF BUSINESS GOALS.

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

❖ **Setting business:**

- ✓ **Long-term goals**
- ✓ **Medium goals**
- ✓ **Short-term goals**

Learning Outcome 3.2: Optimize the utilization of available resources

❖ **Meaning of business resources**

Business resources, also known as factors of production, consist of land and labor, along with capital and enterprise. Land means natural resources, which provide the raw materials for components, machinery, buildings and transport mechanisms. Labor equates to human resources and it includes all the people involved in your company: employees, fellow staff members and everyone in the supply chain

❖ **Types of business resources**

- **Financial resources**
- **Assets**
- **Human resources**
- **Technological resources**

❖ **Purpose of optimizing the utilization of available resources**

Resource optimization: is the set of processes and methods to match the available resources (human, machinery, financial) with the needs of the organization in order to achieve established goals. Optimization consists in achieving desired results within a set timeframe and budget with minimum usage of the resources themselves.

❖ **Purpose of optimizing the utilization of available resources**

The purpose should include:

To increased revenue – Resource optimization Solutions will help you easily assess how well utilized your entire resource pool is on a daily, weekly or monthly basis, helping to ensure your most valuable resources are used to maximum effect, and your workload is balanced to avoid sustained periods of time on the bench.

Conflict resolution – Resource conflicts can have a significant effect on revenue, at worst an unresolved resource conflict may result in an immediate missed revenue opportunity, along with a negative future impact through reduced customer satisfaction.

Improve project delivery – Improving project delivery will help reduce costs and increase margins. Research shows that organizations who have implemented a optimization of resources have significantly reduced costs.

Reduce administration costs: no doubts if you are utilizing a home grown or spreadsheet based resource optimization system it will be prone to errors and cumbersome to use.

- ❖ **Methods to optimize utilization of available resources**

1. Resource Allocation: You can think of resource allocation as your 'by-the-book' solution to problem solving, helping you get the most from your available

2. Resource Scheduling: Resource scheduling aims to calculate the resources required to complete a task or project within a specified timeframe.

3. Resource Leveling & Resource Smoothing: We have previously spoken about

resource allocation—an important facet to resource management that helps with avoiding the over- or under-allocation of resources

4. Resource Forecasting: Resource Planning is vital for getting the most out of an organization's workers, materials and budget for the project at hand, but the best project managers know that you can never do enough planning.

- ❖ **Methods used to control utilization of resources**

  - ✓ Procedures of using resources
  - ✓ Targeted result
  - ✓ Anticipated emergencies in planning
  - ✓ Inventory planed

Learning Outcome 3.3: Employ targeted promotional and marketing campaigns

- ❖ **Product promotion meaning:** In marketing, promotion refers to any type of marketing communication used to inform or persuade target audiences of the relative merits of a product, service, brand or issue.
- ❖ Aspects of product promotion

I. Advertising product or brand
II. Generating sales
III. Creating brand loyalty

- **Elements/tools/piece of promotional mi/plan**

Public relations/publicity

Advertising

Sales promotion

Personal selling

Direct marketing

- **Promotional strategies**

I. Get the most out of social media
II. Generate conversation with swag
III. Offer incentives with targeted landing pages
IV. Appeal locally and create an event
V. Boost your brand with education

Marketing campaign meaning: Marketing Campaign. Definition: A specific, defined series of activities used in marketing a new or changed product or service, or in using new marketing channels and methods.

- **Aspects of marketing campaign**

I. Components of marketing campaign
II. Marketing Offer Creation
III. Goal Setting
IV. Landing Page
V. Lead Nurturing
VI. End & Analyze Your Campaign Views
VII. Leads: to conduct

- Marketing campaign strategy

I. Clear & concise
II. Hyper-target to a niche Audience.
III. Create a story that speaks to all Medias.
IV. Make it easy to Share. Inspire interaction
V. Use a memorable and repeatable Spokesperson.

LU 4: Monitor and evaluate the business

Learning Outcome 4.1: Prepare a daily report of business activities

- **Meaning of business daily report:**A daily report is a kind of report documenting the procedures that transpired within the day.

It usually includes the things that have been accomplished, the plans or goals for the succeeding days, as well as existing or potential problems. ...

Doing a daily report helps monitor progress of an individual or a corporation.

Purpose of business daily report

If you are a sole proprietor, you may not believe you need to keep reports or develop them on a regular basis, since no one else is involved in running your business

I. to know work project progress
II. to know project cost progress
III. to know the delay in work
IV. to Collect data

- **Format of daily report of business activities**

- **Learning Outcome 4.2: Organize employee's meeting in accordance with customer's inquiries and needs**
- **Meaning of effective employees' meeting:** is a meeting can boost productivity, employee morale and profits.

- **Steps of effective employee's meeting**

  I. Setting meeting objectives
  II. Preparing meeting requirements
  III. Running employee's meeting

- **Ways to make employee meeting more engaging**

a. Facilitate brainstorming session
b. Stand up Set meeting goals together
c. Offer incentives and rewards
d. Set a clear framework in advance

- **Purpose of employee's meeting**

Learning Outcome 4.3: Consult to business plan

- **Purpose of business plan for the business**

  Meaning of business plan: is a formal document that shows how a business shall be started and operated over a given period of time usually a year.

  Business plan has the following purposes:

  I. To show how a business proposed to operate
  II. To show where it is going to get the business finance
  III. The location of the business
  IV. To show the customers of the business
  V. The production target
  VI. To show the time table of activities
  VII. To show the marketing techniques
  VIII. The expected return on investment
  IX. To attract investors and funders
  X. To attract partners and high caliber employees

- **Purpose of consulting business plan during a business operation**
  a. to guide the entrepreneur to monitor the progress of the business
  b. to help entrepreneur to know the specific resources necessary to achieve the set target
  c. to check whether the operation of business activity is on track
  d. to know whether all activities are well performed as prepared

- **Critical part of the business to be considered while running business**

  I. Production plan
  II. Organization plan
  III. Action plan
  IV. Financial plan

- **Identification of what to be consulted in your business plan**

I. Production plan
a. Check the production process and layout
b. Consult whether the production staff are available
c. The production utilities required

II. Organization plan
a. Consult whether the legal structure is organized as prepared before
b. To check whether each employee is performing his/her duties
c. Skills and experience required for each worker
d. Which people who supervise or manage others

III. Action plan

a. To consult how the resources will be allocated and resources needed
b. To check and make sure that the will fulfil the plans and achieve results
c. To check whether the resources are well coordinated and are available at right time.

IV. Financial plan

a. Check whether all financial necessities are available
b. To check what the business expect to spend and what it expects to earn