


# BUSINESS STUDIES GRADE 10 TERM 3



**LEARNER NOTES 2023**

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The content/notes are aligned to Examination Guidelines (2022).

## CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

### Learners must be able to:

- Explain the meaning of creative thinking.
- Describe/Explain/Discuss the advantages/benefits of creative thinking in the work place.
- Explain how businesses can use creative thinking to generate entrepreneurial qualities, e.g. designing environments that stimulate creative thinking.
- Discuss/Describe/Explain how business can use creative thinking to solve business problems.
- Elaborate on the meaning of problem- solving.
- Explain/Discuss the differences between problem solving and creative thinking
- Outline/Mention/Discuss/Explain the problem-solving cycle.
- Explain/Discuss/Describe how businesses can apply the problem-solving techniques to solve business problems.
- Recap the meaning of business opportunity
- Briefly explain the purpose of the eight business functions
- Describe/Explain/Explain how businesses can use mind-mapping, brainstorming to identify innovative and entrepreneurial business opportunities.
- Recommend/Suggest ways in which creative business opportunities can realistically be implemented.

### 1 The meaning of creative thinking

- Creative thinking is the ability to think original, varied and innovative ideas.
- It focuses on exploring ideas/generating possibilities/looking for many possible solutions.
- Thinking in a way that is unconventional and original
- It is the act of producing new ideas and making them real.
- Generating new ideas and being open to new ideas.
- Focuses on exploring ideas/generating possibilities and looking for many possible answers.

#### 1.1 Advantages/Benefits of creative thinking in the workplace

- Creative thinking improves the quality of solutions to business problems
- Products and services can be marketed creatively
- Stimulates profitable new ideas for products/marketing campaign and public relations.
- Managers can come up with creative strategies for the business
- Employees can think for themselves and come up with creative solutions.
- Motivates employees and improves their skills resulting to a happy workforce.

- Improves productivity and reduces voluntary turnover.
- Creative public relations strategies can be designed and implemented.
- Helps businesses to respond to the threat of competition and to remain leaders in the field.
- Helps businesses to provide its clients with the best possible products or services, which improves client loyalty.
- Leads to the development of better methods of production to save on costs.
- Allows businesses to extend its range of services like offering better customer services or credit facilities.
- New products/services can be designed to meet changing needs of customers.
- Managers can motivate and manage staff in creative ways to get the best from them.

### **1.2 Ways in which businesses can use creative thinking to generating entrepreneurial opportunities**

- Successful entrepreneurs use creative thinking to come with new products/services.
- They create a new market for their products that never existed before.
- Creative thinking can be applied to continuously improve products and to stay ahead of competition.
- Designing environments that stimulate creative thinking


### **1.3 Ways in which businesses can use creative thinking to solve business problems**

- Existing products can be adapted creatively to meet changing tastes and demands
- Employees can think for themselves and come up with creative solutions to all kinds of business problems
- Encourage a spirit of play and experimentation in the workplace.
- Give feedback on employees' performance
- Provide time/resources/opportunities for creative problem solving
- Encourage brainstorming sessions for employees
- Train employees on creative thinking and problem-solving techniques.
- Recognise and reward achievement
- Encourage employees to express their ideas and take risks in a safe/non-threatening environment.

## **2 The meaning of problem-solving**

- Problem solving is the ability to search for and find information relating to the problem
- It is a process of identifying and analysing the problem and coming up with the solutions.

## 2.1 Differences between decision making and problem solving



DECISION MAKING	PROBLEM-SOLVING
Often done by one person or senior management	Carried out by a group of people
Existing alternative are considered and choosing a best solution to a problem.	Encourages creative thinking since it aims at finding a new solution to a problem.
It does not form part of the problem solving since decisions need to be taken for each step of the business process.	Innovative solutions are generated, implemented, and evaluated.

## 2.3 Problem solving cycle/steps

- Businesses need to have a process that can be used to solve their problems.
- The problem-solving cycle/steps consists of the following aspects:
  - (a) Identify the problem**
    - Businesses must first know and understand the problem.
    - The problem must be defined accurately.
    - Businesses should get the opinions and suggestions of everyone involved.
    - Collect as much information as possible and study the problem
  - (b) Define the problem**
    - This step can only take place once a business knows and understands its problem.
    - Generate a definition that is concrete and specific
    - The nature of the problem must be precise.
    - They must define the possible causes of the problem.
    - Define the problem so that it becomes easier to find a solution
  - (c) Formulate a strategy**
    - A strategy is a plan of action that requires further investigation before a decision is reached.
    - Businesses need to use problem solving techniques to find solutions.

- Use the problem-solving techniques to formulate relevant the strategies
- Consider different solutions for the problems by using creative thinking techniques
- The solution must be realistic and executable

**(d) Choose the best solution/strategy**

- Businesses must set criteria for the best solution/strategy, in terms of aspects such as time/cost/risk involved.
- The best solution/strategy should match the size and the resources of the business.
- If the solution is not appropriate, they should go back to defining the problem.

**(e) Allocate the resources**

- Resources include money/staff members/time/equipment etc.
- Plan carefully so that you do not interrupt the normal running of the business
- Consider buying affordable and effective resources
- Communicate with employees so that they understand the strategy and know who will do each job.

**(f) Implement the strategy**

- Put the strategy into action and have necessary resources to implement the strategy.
- Plan the steps required to implement the strategy.
- Implement the strategy according to the plan
- The method and time of implementation be considered

**(g) Monitor the problem solving**

- Monitor whether the strategy is solving the problem as defined in step one.
- If the strategy is not working, then return to step 3 and come up with an alternative strategy.

**(h) Evaluate the problem-solving process**

- Businesses must use critical evaluation and analytical skills to evaluate the strategy.
- Once the strategy has been implemented, evaluation process must be done to identify areas that were effective and areas where improvement can be made
- Monitor if the strategy was successful or not in solving the problem
- Evaluate the entire process that was used to reach the strategy
- Get the views of all the people involved in the process

## 2.4 Problem-solving techniques

- Nominal group technique
- Brainstorming
- Force field analysis
- Delphi technique
- Chair technique
- Empty chair
- Mind mapping
- SCAMPER

### 2.4.1 Nominal group technique

- The nominal group technique is used to avoid the disadvantages of group discussions.
- There is always one or two dominant people who take over while the rest of the group members keeps quiet.

#### Application of the nominal Group technique

- The group is divided into a smaller group of 5 or 6 people around the table
- The problem is defined clearly.
- Each individual silently brainstorms as many ideas as possible and write them down
- One by one, each person in the group gives one of their solution and someone writes them all down on a big sheet of paper.
- Everyone gives a second solution, and so on until all possible solutions have been recorded.
- No one is allowed to criticize, but participants may ask questions to understand the suggested solution more clearly.
- Each person reads through all the suggestions and anonymously rates them giving the highest points for the best solution, down to the lowest point for the one they like the least.
- The ratings are collected, and the points collected and calculated.
- The group is given the results of which idea received the most points, the second most points, and so on.
- Each group presents the solution that was deemed the best according to the votes.

### 2.4.2 Brainstorming

- Businesses use brainstorming when they want to involve employees/team in the decision-making process.
- It needs to be managed by a facilitator to ensure that the best result is achieved.

### **Application of brainstorming**

- The problem must be defined clearly
- People in the group suggest ideas and solutions at random.
- All ideas must be written on a flip a chart
- The facilitator must encourage everyone to participate and ensure that no-one criticizes any suggestions.
- When the time is up/no one has any more ideas, the sheets with suggestions are hung around the room.
- Similar ideas are grouped together using coloured pens
- The group evaluates the ideas and rates them according to how successful they think each idea will be.
- A plan of action is discussed to put the best ideas into practice.

### **2.4.3 Force field analysis**

- It is aimed at facilitating change in the business.
- People are often resistant to change and will act against change taking place.
- Management is a force acting for change, while the employees are a force acting against change.

### **Application of force field analysis**

#### **Option 1**

- Change should be communicated effectively to employees.
- Stop all change for a while until proper communication has been done
- Explain the reasons and benefits of the changes to all staff.
- Ensure that everyone understands how the change will affect them.
- Ensure that all questions are dealt with effectively
- Do not make any more changes in the organization for a while so that it can stabilise and employees can get used to the changes.



### Option 2

- The business should describe the current situation and the desired situation.
- Write a plan/proposal for change in the middle.
- List all the forces driving (positive) and resisting (negative) change
- List all forces in support of the change in one column.
- Assign a score for each, from 1 (weak) to 5 (strong)
- Determine if change is viable. If not, check which resisting forces can be influenced/mitigated/avoided to make the change possible.
- If so, find ways to increase the forces for change and diminish the forces against change.
- Based on this outcome, come up with a strategy to help reduce the resisting forces and ensure that the changes can be done.

#### 2.4.4 Delphi technique

- The Delphi technique is used when trying to solve a big problem of which there seem to be no previous examples.
- Businesses use this technique to obtain group input from experts on a specific issue
- The experts are intentionally kept apart so that their responses are not influenced by other experts taking part in the process.

##### Application of Delphi technique

- A panel of experts is invited to participate in the process.
- Experts do not have to be in one place and will be contacted individually.
- A questionnaire is designed and distributed to the panel
- The panelist responds to the questionnaire individually and return it to the organisation.
- The feedback report and a second set of questions/questionnaire related to the feedback are sent to the panelists.
- The panelists read the feedback report and decide if they wish to change their initial ideas/suggestions/solutions.
- They then complete the second questionnaire
- A final summary and feedback report are prepared.
- Consensus is reached and the best solution is chosen.

#### 2.4.5 Chair technique

- It is a method of weighing up the pros and cons of an idea/decision.

##### Application of a chair technique

- People consider a problem or idea.
- They take turns to sit in one chair and list all the pros/positive points about the idea/decision





- They then move to another chair and list all the cons /negative points about the idea/decision
- Someone acts as a scribe and writes down each person's pros and cons.
- The lists are discussed and the pros and cons weighed up against each other.
- The final decision is taken.

#### 2.4.6 Empty chair

- This technique can be used when a person must make decisions alone.
- The participant speaks to an empty chair where he/she imagines another person is sitting
- He/she may decide to take the position of the other imaginary person and respond

##### Application of empty Chair

- One person sits facing an empty chair and imagines that someone he/she respects is sitting in the chair.
- Explain the problem to them in detail, out loud.
- Describe all the angles of the problem
- Tell them what you think the possible solutions are and how you think each of the solutions will work out.

#### 2.4.7 Mind-mapping

- Mind maps are diagrams that represent ideas or concepts.
- Their strength is that they work like our brain works.
- They are useful for generating new ideas, problem solving, making notes to organise thoughts and summarising when studying.
- Mind mapping is a simple technique for drawing information in diagrams instead of writing it in sentences.
- The diagrams always take the same basic format of a tree with a single starting point in the middle that branches out, and divides again and again.

##### Application of mind mapping

- Decide on the central problem or topic
- Find a word/picture that captures the problem/topic
- Break down the central theme into main ideas/points.
- Put these points on the main branches
- Break the ideas down further into sub-points
- Use colour and shapes to help sort ideas logically.
- Use few words where possible



#### 2.4.8 SCAMPER

- Offers simple guidelines to help see things differently
- Scamper stand for Substitute, Combine, Adapt, magnify, put to other use, Eliminate and Rearrange
- Each letter stands for a way to change an existing product/service
- Generate new ideas and solve problems

#### **Application of SCAMPER**

- Substitute: Replace part of then problem with something new
- Combine-mix: Arrange parts of a problem in a creative way to cancel out the problem
- Adapt: Look at existing solutions and adapt them to solve the current problem.
- Modify-Exaggerate the problem and see if that can be adjusted to solve the whole problem.
- Put to other use: Use part of the problem for something else
- Eliminate: Get rid of some parts of the problem
- Rearrange: Push the idea around and rearrange so that it can be seen differently.

### **3. The use of indigenous knowledge to solve problems and identify business opportunities**

- Indigenous knowledge refers to the knowledge/practice and skills that were develop by indigenous people to improve their quality of life.
- It is important to use indigenous knowledge when identifying business opportunities if the success of the business will depend on a local sales.
- Businesses need understand their markets before they identify a business opportunity.
- The knowledge of the history, culture, traditions, norms and values of the market is important
- The entrepreneur must be motivated to know about the indigenous knowledge in the business environment
- Gather insight into the indigenous knowledge
- Indigenous knowledge systems can give rise to economically efficient ways of doing things.
- Develop a strategy to incorporate the indigenous knowledge into the business
- Implement the strategy into the business

### **4 Ways in which creative business opportunities can realistically be implemented.**

- People have to be prepared to pay enough for the product to cover the production costs.
- There has to be a demand for the product/service
- Introduce the new product to the consumers and educate them on how it could be useful to them.
- The entrepreneur must first identify a business opportunity to implement
- Develop a realistic plan
- Plan the activities to be conducted with reasonable deadlines and resources
- People in the business must also be identified and given tasks and activities of the plan
- The entrepreneur must motivate the workers to implement the plan
- Put control measures in place to ensure that workers are implementing the plan



## CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

### Learners must be able to:

- Explain the meaning of a business opportunity and give practical examples.
- Explain the importance of assessing needs and desires in identifying a business opportunity.
- Design a research instrument to assess needs & desires e.g. questionnaires, interview structure/schedule.
- Explain/Describe protocol for conducting research.
- Conduct a market research and identify a business opportunity.
- Explain the difference between internal & external market research.
- Compile a SWOT analysis to determine a viable business venture.
- Identify a business opportunity based on the findings from compiling a SWOT analysis
- Apply a SWOT analysis from given scenarios/case studies

### TERMS AND DEFINITIONS

TERMS	DEFINITIONS
Business opportunity	The potential of a business idea to succeed based on the researched needs and desires of the potential market
Research	A systematic investigation to find facts or to collect information.
Potential market	Customers who will want to buy a product/service and who have the cash or credit facilities to do so
Risks	Possibilities of loss or damage
Research instrument	A device/tool that can be used to gather information or to form a set of guidelines for observation
Respondents	People to whom the investigation is carried out/person who completes a questionnaire
Feasible	Being possible and practical to achieve something easily/conveniently
Viable	Capable of working successfully
Strengths	Particular skills and circumstances that exist in the business and its staff that contribute to its success.
Weaknesses	Circumstances that work against the business and its success
Opportunities	Circumstances that make something possible to the advantage of the business
Threats	Things that can cause the business to fail
Target market	A specific group of customers at which a company aims its products and services.

SWOT analysis	A technique/tool that is used to evaluate a situation from different angles in order to make strategic decisions.
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## 1 The meaning of a business opportunity

- A business opportunity is an idea for a product /service that will meet needs/desires, and that can be sold or leased to earn an income.
- Entrepreneurs should be constantly on the lookout for new business opportunities to be competitive.
- It is an idea that can be converted into viable, income-producing business.
- Each need and desire is a possible business opportunity.
- It is a gap in the market when peoples' needs, and desires are unfulfilled.

### 1.1 Steps for identifying business opportunities

#### OPTION ONE

- Generate new ideas by applying problem solving techniques.
- Analyse the needs of consumers by doing research.
- Identify good business ideas.
- Determine the viability of ideas by conducting market research.
- Conduct a SWOT analysis.

#### OPTION TWO

- Identify your business and personal goals
- Research your preferred industries
- Identify promising industry segments
- Identify problem areas and brainstorm solutions
- Compare possible solutions with your objectives and opportunities.
- Focus on the most promising opportunities

### 1.2 Example of a business opportunity

- Apple was not satisfied with just selling computers. They looked for other opportunities and have made profits from other products such as the iPod, iPhone and iPad etc.

### 1.3 The importance of assessing needs and desires in identifying a business opportunity

- Needs and desires are keys to successful business opportunities.
- Entrepreneur should create a desire for the product through a well-designed advertising and marketing campaign.
- Needs and desires form guarantee a possible market

- When people have needs or desires that are not fulfilled, then a business opportunity is presented to fulfill those needs and desires.

## 2 The meaning of market research

- Market research is the systemic gathering, recording and analysing data about the marketing of goods and services.
- Market research strives to obtain facts and opinions in an objective way to identify the need for a product/service.
- It is conducted on a regular basis because people constantly change their buying behaviours and needs.
- Involves finding out about customers' needs and wants
- Helps businesses to identify customer needs and competition gaps.

### 2.1 Research instrument to assess needs and desires

- A research instrument is a device/tool that can be used to gather information or to form a set of guidelines for observation.
- Entrepreneurs usually develop a research instrument to find out about people's needs and desires.

### 2.2 Types of research instruments

#### 2.2.1 Questionnaires

- Questionnaires are designed to collect information from people about their attitudes/preference/level of knowledge/personalities/beliefs etc.
- A questionnaire consists of a series of questions that are developed to gain information from respondents.
- Respondents give answers in writing
- Responses may be immediate/direct or need to be emailed.

#### 2.2.2 Interviews

- Business situations provide opportunities for interviews with employers, customers, analysts etc
- The interviewer leads the interview by asking questions and the interviewee responds to the questions
- Responses are collected from an individual or a group and may be recorded
- Questions should be carefully prepared and selected to avoid any biasness.
- Questions should be carefully prepared to avoid anything that might be sensitive and offensive
- Helps businesses to collect the same type of information from many people.

- Businesses do not require processing assistants as they are able to analyse responses/data.

### 2.3 Steps in developing a research instrument

- Entrepreneurs have to be clear about what they want to know about potential customers' thoughts/ behaviours /habits/need/desires/financial status etc.
- Give clear, concise instructions on how to answer each section.
- Questions must be short, simple and easy to read.
- Ask simple /unambiguous/clear questions that will lead to an excellent data collection.
- Avoid leading people with the question as a true reflection of what people want or feel may not be obtained.
- Participants/Respondents must not be confused nor offended.
  
- A questionnaire can also include multiple choice questions that offer a number of options or questions where things must be ranked according to a scale e.g. strongly disagree/disagree/agree/strongly agree.
- The interview schedule can consist of both closed and open questions.
- Test the questionnaire or interview schedule on yourself or friends to see if works and if the required information will be obtained.

### 3 Protocol for conducting research

- The researcher must obtain consent (permission) from the participants before interview takes place.
- The research must first be approved if it is taking place within an organisation.
- If a face to face interview is to be conducted prior arrangements must be made for the participant's convenience
- The person conducting the research should not influence the opinions of the participants.
- The researcher must start by introducing himself/herself.
- Interviewee/Respondent need to be told that their names will not be mentioned if that is what they want.
- Interviewee/Respondent must be informed about the purpose and intentions of the interview.
- Interviewee/Respondent should be informed about the duration of the interview.
- Information collected from the participants should be kept confidential.
- Interviewee/Respondent should be free to refuse to answer a particular question.
- The responses should not be used for any purpose other than the market research being conducted.

- Research findings must be reported accurately and not used to mislead any person.
- Ensure that the research is within the ethical standards of the industry by obtaining clearance from relevant persons or bodies.

#### 4 The differences between internal and external market research

INTERNAL MARKET RESEARCH	EXTERNAL MARKET RESEARCH
<ul style="list-style-type: none"> <li>• It is the research conducted from within the business.</li> </ul>	<ul style="list-style-type: none"> <li>• It the research that is conducted from outside the business.</li> </ul>
<ul style="list-style-type: none"> <li>• Employees together with general employers indicate taste, type of products/services of the business.</li> </ul>	<ul style="list-style-type: none"> <li>• Businesses use data from market research that has been conducted in the past by other organisations/ statistics published by the government.</li> </ul>
<ul style="list-style-type: none"> <li>• Different resources are used for gathering business information for helping management to make informed decisions.</li> </ul>	<ul style="list-style-type: none"> <li>• Useful information about the target market, environment and about customers' needs and desires can be obtained.</li> </ul>

#### 5 Types of data collection

DATA	EXPLANATION
<ul style="list-style-type: none"> <li>• Primary data</li> </ul>	<ul style="list-style-type: none"> <li>• Primary data is first-hand information that is collected by the researcher through interviews and questionnaires.</li> </ul> <p><b>Examples of primary data:</b></p> <ul style="list-style-type: none"> <li>• The potential market for a new product or service</li> <li>• Client satisfaction levels with products or services that are currently offered</li> <li>• Possible geographical position of a potential new business</li> </ul>
<ul style="list-style-type: none"> <li>• Secondary data</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary data second-hand information that is obtained through academic books, journals, references etc.</li> </ul> <p><b>Examples of secondary data:</b></p> <ul style="list-style-type: none"> <li>• The demography of a community</li> <li>• The average level of income in a community</li> </ul>

#### 6 The meaning of a SWOT analysis



- It is used to help businesses make decisions by setting out information clearly in order to only focus on important information.
- Entrepreneur use a SWOT analysis to decide if their business idea is indeed a viable business opportunity.
- SWOT stands for strengths, weaknesses, opportunities, and threats.
- Strengths and weaknesses usually relate to internal factors/inside the business.
- Opportunities and threats are usually external factors/outside the business.

### 6.1 An example of a SWOT analysis

Imagine that you have decided to sell cakes at the school market day.

<b>INTERNAL</b>	<b>STRENGTHS</b> List all the strengths of your idea/product/business e.g.: <ul style="list-style-type: none"> <li>• Easily available</li> <li>• Can be made by learners</li> <li>• Cheap to make</li> </ul>	<b>WEAKNESSES</b> List all the areas where the business idea/product falls short e.g. <ul style="list-style-type: none"> <li>• Perishable</li> <li>• Need careful handling</li> <li>• Need to be hygienically stored</li> <li>• Have to be hygienically displayed</li> </ul>
	<b>EXTERNAL</b>	<b>OPPORTUNITIES</b> List all opportunities that could assist the business idea/improve the product e.g. <ul style="list-style-type: none"> <li>• Appeals to most learners</li> <li>• Not gender specific (boys and girls like cakes.)</li> <li>• Cheap compared to other products</li> </ul>

### Another example of a SWOT analysis

<b>INTERNAL</b>	<b>STRENGTHS</b> List all the strengths of your idea/product/business e.g.: <ul style="list-style-type: none"> <li>• Capabilities</li> <li>• Good employees</li> <li>• Sufficient resources</li> <li>• Quality products/services</li> </ul>	<b>WEAKNESSES</b> List all the areas where the business idea/product falls short e.g. <ul style="list-style-type: none"> <li>• Special registration</li> <li>• Bad reputation</li> <li>• Lack of finances/resources</li> <li>• Lack of leadership</li> <li>• Lack of capabilities</li> </ul>
		<b>OPPORTUNITIES</b>

<b>EXTERNAL</b>	List all opportunities that could assist the business idea/improve the product e.g. <ul style="list-style-type: none"><li>• Partnership with other businesses</li><li>• Fashion and trends</li><li>• Tenders</li><li>• Product development</li></ul>	List everything that threatens the success of the business idea/product e.g. <ul style="list-style-type: none"><li>• Economical factors</li><li>• Political factors</li><li>• Environmental factors</li><li>• Technological factors</li><li>• Legal factors</li><li>• Physical factors</li><li>• Competitors</li></ul>
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## 6.2 Using a SWOT analysis to determine a viable business venture

- Conduct a SWOT analysis listing your idea's strengths, weaknesses, opportunities and threats.
- Analyse the impact of the strengths you have listed e.g. how much of a positive influence will they have on the success of the business.
- Analyse the impact of the weaknesses you have listed in the same manner.
- Analyse the impact of the opportunities you have listed in the same manner.
- Analyse the impact of threats you have listed in the same manner
- Compare the positives and negatives rankings.
- Add all the positive scores (strengths and opportunities) . Then add all the negatives scores (weaknesses and threats).
- Compare the results. Which is higher?
- If you have ranked the negatives scores higher than the positive ones, you need to reconsider your business idea.

## 6.2 The importance of conducting a SWOT analysis

- It is a useful planning tool and helps people to make decisions by setting out information clearly.
- Businesses use this tool when making important decisions
- Entrepreneurs use when making decisions about the viability of a business opportunity
- It is useful to assess business opportunities because it assesses businesses strengths and weaknesses
- Helps business owners to identify ways in which their business can grow and identify potential threats
- Businesses can use this tool during any stage of development
- Helps a business to determine its position to fulfil the needs and wants of their prospective customers

- It is useful if there are changes in the market environment or when considering starting a new business venture.

## CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

### Learners must be able to:

- Explain/Discuss the importance of business reports.
- Mention/Outline/Explain guidelines on writing an effective business report.
- Explain the advantages of using visual aids
- Outline/Explain/Discuss factors that must be considered when preparing for a verbal presentation.
- Advise businesses on how to prepare for support materials for a presentation.
- Explain the purpose of audio-visual aids.
- Identify audio-visual aids from given scenarios/case studies/pictures/cartoons. Support your answer by quoting from given scenarios/case studies/pictures/cartoons.
- Explain factors that must be considered when designing a presentation.

## TERMS AND DEFINITIONS

TERM	DEFINITIONS
Business report	It is a written document that communicates information to assist business decision making
Graphs	Two-dimensional drawing showing a relationship between two set of variables by means of a line/curve/bars.
Presentation	The act of communicating information/data to an audience/stakeholders in an organization.
Verbal Presentation	The presentation is delivered through word of mouth or in words.
Non-verbal	Presentation is delivered through writing or supporting material.
Visual Aid	Refers to charts/pictures/images that help to clarify a point/enhance a presentation.
Audio Visual	It is material or tool directed to both sense of hearing and sight, e.g. projector
Data Projector	Is a devise that projects images from a computer onto a screen
Interactive whiteboard	It's a devise that has a data projector attached to it. It also has special pens that a presenter can write on it.
Video Conferencing Equipment	A conversation between two or more people or groups of people at different places using a computer network to transmit their voices or images. Different places

Overhead Projector	It is a device that shines light through a glass on which a translucent slide is placed on it.
Handout	Printed information provided to the audience to accompany a presentation
Diagrams	A drawing showing the appearance/structure/workings of data in a schematic representation.
Tables	A set of facts/figures systematically displayed, especially in columns
Flip Chart	A large pad of paper, bound so that each page can be turned over at the top to reveal the next page, used on a stand.

### 1 The importance of business reports

- Business reports enable management to keep track of every activity done in each department.
- It enables senior management with information on how each department is doing.
- It provides information that leads to decision making.

### 2 Guidelines on writing an effective business report

- Determine the scope of the report
- Determine the target audience of the report
- Determine how the report should be presented
- Collect the necessary information
- Prepare an overview of what the audience to know and details that should be included in the report.
- Write concisely/briefly and only include important information
- Use regular/basic language/simple grammar and clear short sentences
- Use accurate/meaningful visual aids such as tables, graphs, drawings etc.
- Spend time revising the report and correct spelling mistakes and grammatical errors
- Get someone to look at the report and to make suggestions for improvement.

### 3 Differences between verbal and non-verbal presentation

VERBAL PRESENTATION	NON-VERBAL PRESENTATION
-The presenter speaks in front of the audience	-The audience receive the message without the presenter saying it orally
-The audience sit and listen to the presenter	Facial expression is an example of non-verbal presentation, visual aids, hand signals

### 4 Factors that must be considered when preparing for a verbal presentation

- Write down the purpose of the presentation and list the objectives
- Consider the audience e.g. who are they /what do they already know/what you want them to know
- Prepare the structure of your presentation e.g. introduction/body/conclusion.
- Be fully conversant with the content of your presentation.
- Create visual aids that will assist in getting the points across effectively and memorably.
- Practice the presentation and time your presentation.
- Practice in front in front of someone who will provide honest opinion on the purpose and objectives of the presentation.
- Information to be presented should be relevant and accurate
- Have pre-knowledge of your audience to determine the appropriate visual aids
- Visit the venue and ensure that visual aids the use of your equipment/availability of a generator in case of load shedding or electricity.
- Prepare your support material to enhance your presentation
- Prepare for the feedback session by anticipating possible questions/comments

## 5 Guidelines on how to prepare for support materials for a presentation



- Most visual aids require similar qualities to make them effective. They should:
  - use large/clear lettering that is easy to read from an appropriate distance
  - never have too much writing on them
  - provide visual representations of statistics in the form of graphs/charts
  - contain summaries of what the presenter wants to convey and not the whole text
  - be colourful and grab attention
  - be meaningful and appropriate


## 6 Types of visual aids

- Data projector
- Handouts
- Interactive Whiteboard/ Smart board
- Video conferencing equipment
- Flyers / Brochures
- Posters/Signs/ Banners/ Flags
- Overhead projector
- Charts/ Flip Charts/ White boards
- Graphs.
- Diagrams



## 7 Explanation of visual aids

Visual aid	Explanations
Data projector 	<ul style="list-style-type: none"> <li>-It is usually used for large groups</li> <li>-Projects images from a computer to a screen</li> <li>-Shows summaries/ graphs/relationships/diagrams /process steps etc.</li> <li>-Can be used to create a mood through showing images and videos</li> <li>-Slides summarises information to increase understanding</li> </ul>
Handouts	<ul style="list-style-type: none"> <li>-Use for small or large groups</li> <li>-Used to give summary of the presentation and provides follow-up activities</li> <li>-Contains summary of the most important points</li> <li>-They are given to the audience when they leave after the presentation</li> <li>-Provide details that cannot be included in the presentation such as financial statement</li> <li>-They provide structure and focus for the presentation</li> </ul>
Interactive whiteboard	<ul style="list-style-type: none"> <li>-Can be used for small or large groups</li> <li>-Can be used in brainstorming sessions to capture feedback and ideas</li> <li>-Can be linked to other whiteboards in other venues. Use coded pens to write new information and feedback</li> </ul>
Video conferencing equipment	<ul style="list-style-type: none"> <li>-Can be used for groups in different venues</li> <li>-Shows summaries/graphs/relationships/diagrams/process steps</li> <li>-Provides face-to-face contact even with international meetings</li> <li>-It uses audio and video to connect people in different places as if they are in the same room</li> </ul>
Flyers/Brochures	<ul style="list-style-type: none"> <li>-Can be used for as effective marketing tool.</li> <li>-Can be used for attract people to an advert</li> </ul>
Posters/signs/banners/Flags	<ul style="list-style-type: none"> <li>-Are used to communicate with potential customers</li> <li>-Can be used as a marketing strategy</li> <li>-They summarise information and discussions to stakeholders</li> <li>-It can be decorated to attract attention to the information on it.</li> </ul> 
Overhead projector(OHP)	<ul style="list-style-type: none"> <li>-Used for a large group</li> <li>-Uses transparencies</li> <li>-Needs a special screen mounted at an angle to a wall</li> </ul>

	Display charts, show summaries, graphs, relationships, diagrams and process steps -It can sometimes be difficult to focus
Charts/Flip Charts 	-A flip chart is a board with a paper attached at the top and can be flipped over to present information sequentially Charts can be used for a small group -Used to summarise discussions -Record ideas and feedback given by the group --it does not need electricity and therefore cheaper visual aid. -Management may show the organisation' s structure in the form of an organisational chart.
Graphs	-Graphs summarise information and communicate trends and patterns -There are different types of graphs and each is suited to a particular purpose. <b>Types of graphs</b> -Line graphs: used to show changes over time. -Bar Graphs: Show a change of something over time and show comparisons between different groups -Pie Charts: show how something is divided into different parts
Tables	-Useful in summarising and showing statistical information clearly -Tables present detailed information
Diagrams & illustrations	-They make it easier for the reader to follow by showing relationships within an organisation

**8 Advantages of using visuals**

- Data is summarized and presented visually
- Capture the audience attention and keep them interested
- Help audience to understand easier the presented information
- Information is easily communicated to the audience.
- Statistically information is simplified

**9 The purpose of audio-visual aids**

- They add value and clarity of the presentation.
- They make the presentation more interesting and memorable.
- Visual aids reinforce what the presenter have said.
- They create an atmosphere such as showing videos.
- Helps get the message across more easily.
- Keeps the audience engaged during the presentation.



- They add power and punch to the presentation
- Enhance presentation
- Create excitement
- Help the audience to remember the presentation

### 10 Factors to consider when preparing/designing a presentation

- The presenter should keep the following points in mind during preparation:
  - Use large, clear fonts that are easy to read
  - Use outlines on slides and keep detailed explanations for the verbal presentation
  - Limit each slide to five or six lines
  - Make sure the grammar is correct
  - Proofread carefully
  - End with a closing message that the audience will remember.
  - Be colourful and grab attention
  - Be meaningful and appropriate
  - Select a suitable background
  - Avoid long sentences and keep it simple
  - Avoid fancy decorations



## CONTENT DETAILS FOR TEACHING, LEARNING AND ASSESSMENT PURPOSES

### Learners must be able to:

- Explain the importance of a business plan.
- Analyse the challenges of the macro environment using PESTLE analysis.
- Outline the components of a business plan.
- Explain the purpose of the executive summary and outline aspects that must be included in the executive summary.
- Formulate the vision/mission statements and goals of the envisaged business.
- Explain the relationship between the structure of the business and forms of ownership.
- Outline/mention different types of legal requirements of a business.
- Compile a SWOT analysis for the envisaged business.
- Explain the importance of a marketing plan and market research.
- Explain the meaning of a marketing mix with specific reference to the 7p's.
- Identify the 7p's from given case studies/scenarios/statements/cartoon.
- Identify competitors from doing a market research and explain the strategies that you will use to overcome competition in the market.
- Formulate a financial plan including a balance sheet

## TERMS AND DEFINITIONS



TERMS	DEFINITIONS
Business Plan	A document that outlines all the important facts, processes and procedure of the business.
Cover Page 	Indicates the name of the entrepreneur, name of the business, the logo, address and contact details of the business.
Index page 	The list of all sections of the business plan and page numbers of each section
Executive Summary	The summary of the entire business plan
Description of the business	The description of the product/service and the unique features of the business
Vision	The long -term future goal of the business
Mission Statement	The activities the business will do in order to achieve its goal
Legal Requirements	Legal documentation such as licenses, permits and tax regulations that must be complied with before the business can start operating.
SWOT Analysis	The analysis of the strengths, weaknesses, opportunities and threats of the business.
Marketing Plan	A strategy /plan of how the business is going to sell its product/service
Market Research	The action of gathering information about consumers' needs and preferences.

### 1 The meaning of a business plan

- A business plan is a written description of a prospective business
- It explains how the prospective business owner will obtain funding
- Analysis potential strength, weaknesses, opportunities and threats
- Describes how the business will deal with threats and market its goods/service
- It is prepared for presentation to any interested stakeholder e.g. the bank manager usually requests a business plan when the entrepreneur applies for finance and refers to the business plan before granting him/her a loan.
- The business plan includes, among others, the marketing and financial plans.
- It is a good idea to show data in tables and graphs to make the plan easier to understand.

### 2 Importance of a business plan

- A business plan helps entrepreneurs to set goals and objectives.
- Can be used to attract investors and prospective employees.
- Helps stakeholders to understand the role they play in the business and encourages them to contribute effectively.
- Guides the entrepreneur on the viability of his/her business idea.

- Helps the entrepreneur to identify problems that may arise and helps management to take steps to avoid these problems.
- Improves business operations processes and practices.
- Evaluates the success of the business.
- It is essential when applying for financial assistance from investors or lenders.
- Compels an entrepreneur to arrange his/her thoughts in a logical order.
- Gives direction once the business is operating.
- Helps the entrepreneur to face threats head-on and deal with them.

### 3 Challenges of the macro environment using PESTLE analysis

- Entrepreneurs should look at the factors that could have a negative impact on their businesses.
- Businesses do not have control over the elements/features of the macro-environment
- Businesses use A PESTLE analysis scan the environment.
- A PESTLE analysis enables business to identify challenges that are posed by the following external factors: physical, economical, social, technological, legal and environmental factors.

### 4 Components of a business plan

- Cover page
- Contents page/Index
- Executive summary
- Description of the business/Overview
- SWOT analysis
- Legal requirements of business
- Marketing plan
- Operational plan
- Financial plan
- Management plan
- Competitor analysis

#### Explanation of the components of a business plan

COMPONENT	CONTENTS AND FEATURES
Cover page	<ul style="list-style-type: none"> <li>• It contains the following information:                             <ul style="list-style-type: none"> <li>○ The name of the business</li> <li>○ Contact details of the owner(s) and address</li> <li>○ The logo</li> <li>○ Type of the business</li> </ul> </li> <li>• A copyright disclaimer to protect the contents of the plan</li> </ul>

Contents page/Index	<ul style="list-style-type: none"> <li>• It gives a title and page number of each subsection of the plan.</li> <li>• Allows the reader to find the information in the document</li> </ul>
Executive summary	<ul style="list-style-type: none"> <li>• Detailed summary of the entire business plan</li> <li>• It is written after the business plan has been completed, but appears at the front to provide users with a brief overview before reading the details</li> </ul>
Description of the business/Overview	<ul style="list-style-type: none"> <li>• Describes the product/service and unique features of a product</li> <li>• Discusses the long-term objectives/mission/vision of the business.</li> <li>• Indicates the form of ownership</li> <li>• Description of the product /service which the business offer</li> <li>• Includes the legal requirements of the business</li> </ul>
Legal Requirements	<ul style="list-style-type: none"> <li>• Provides legal requirements that the business need to comply with before it can start operating.</li> </ul> <p><b>NOTE: Refer to types of legal requirements below</b></p>
SWOT analysis	<ul style="list-style-type: none"> <li>• Major strengths and weaknesses of the business</li> <li>• Opportunities and threats in the external environment</li> <li>• A SWOT analysis is an indication that research was conducted to support the establishment of a business.</li> </ul>
Marketing plan	<ul style="list-style-type: none"> <li>• This is the most important component of the business plan</li> <li>• It gives details of the seven Ps of marketing</li> </ul>
Operational plan	<ul style="list-style-type: none"> <li>• Includes where the business will be located</li> <li>• Describes the daily operation of the business</li> <li>• Includes a description of a product, how and where it will be manufactured.</li> <li>• Provides details of the equipment and suppliers</li> </ul>
Financial plan	<ul style="list-style-type: none"> <li>• Records details of how much capital is required and how it will be raised</li> <li>• Contains projected statements of profit, loss and cash flow</li> </ul>
Management plan	<ul style="list-style-type: none"> <li>• Outlines who will be in charge of running the business as well as skills of the entrepreneur and other in the business.</li> <li>• Discusses the hierarchy and roles of the employees</li> </ul>
Competitor analysis	<ul style="list-style-type: none"> <li>• Description of competitors in the market and their products</li> <li>• Details of competitors' marketing strategy and its effect on a proposed business</li> </ul>

## 5 Executive summary

### 5.1 Purpose of the executive summary

It is included to satisfy those who do not have time to go through the entire plan in detail.

Most lenders and investors read it first before the entire business plan

It gives readers an idea of what is contained in the business plan

### 5.2 Aspects that must be included in the executive summary

- The form of business enterprise
- The main business activity
- Information about the owner of the businesses
- The way in which capital will be obtained

## 6 The vision/mission statements/goals and objectives

### 6.1 The vision statement

- A statement which describes how the business will achieve its purpose
- The vision statement is the long-term goal of how entrepreneurs see their business in future and how they want to grow.
- It addresses profit, growth, purpose and stability

### 6.2 The mission statement

- A statement which describes the purpose of the business and explains why the business exists.
- The mission statement addresses how entrepreneurs hope to achieve their vision.
- It focuses on a business operation and it also specific and measurable
- The short-term objectives are more specific stepping stones to reach short term goals in order to achieve the long term goals.

### 6.3 Goals and objectives

- The long term objectives is to provide direction for the company to achieve the vision.
- It is also specific and measurable just like the mission statement .

## 7 The relationship between the structure of the business and forms of ownership

- The business structure should have a description of the following aspects:
  - How many people the business intends to employ
  - Management and staff e.g. their qualifications, experience, job description and remuneration
  - Administration and record keeping
  - Staff policy regarding working hours, fringe benefits, overtime, sick leave and medical aid.
- The structure of the business should include the type of ownership such as sole trader/partnership/close corporation/ private company/public company
- The form of ownership will determine the following:
  - The reason for the form of ownership
  - Legal requirements of the business

- Products and services offered.
- Size of the business
- Number of owners required
- How much control the owners want
- Legal protection

## 8 Types of legal requirements of a business

- A business needs to be registered before it can obtain finance or start doing transactions
- A business needs to comply with the following types of legal requirements:
  - Trading Licenses and permits to operate legally
  - Taxation regulations
  - International trading /Exporting & Importing requirements/ Exchange rates
  - Registration fees.
  - Registration.
  - Basic conditions of Employment Act.
  - Labour relations Act.
  - National Credit Act.
  - Environmental Conservation Act.
  - Patents and copyrights

## 9 Importance of a marketing plan and market research

### 9.1 Importance of a marketing plan

- It is a description of the market analysis including the target market.
- It includes the analysis of the target market, customer and competition
- Explains the marketing mix and provides the marketing strategy of the business
- Guides businesses on how to advertise their products/services
- Describes the proposed prices of goods and services

### 9.2 Importance of a market research

- It is a process to understand more about customers' needs
- The target market refers to the people who are likely to buy the product or service offered by the business
- The business must conduct market research to know about the following factors of the target market: age group, gender, personality, income and education
- The methods of conducting market research include surveys, interview and questionnaires.
- The results of the market research is important as it will indicate whether the target market shows interest in the goods and services the proposed business aims to offer.

## 10 The Meaning of marketing mix with specific reference to the 7p's

- The marketing plan can be explained by using seven elements.
- There are four main elements and three additional elements
- A marketing mix is a combination of product, price, place, people, promotion, process and physical environment.
- The above-mentioned aspects are usually referred to as 7ps.
- The reason for extending the 4ps to the 7ps is because of the growth of the service industry.
- Once the target market has been identified, the business must work out the marketing mix that best satisfies the needs of the target market

### 10.1 Product/Service

- It is a description of the product, appearance, and usage
- It can be a picture, drawing or photograph of what the product look like
- The manufacturing process used to make the product
- The product/services must be different from competitors' products
- The packaging of the product

### 10.2 Price

- The price of a product refers to the amount of money that must be paid by the consumer to obtain the product.
- The proposed business must include its pricing policy in the business plan
- The pricing policy describes the way in which the price is used to attract customers
- The price needs to cover all costs and must appeal to the target market
- It must be affordable for the consumers
- Good access to the product/service will increase sales
- Cash or credit facilities may affect the customer's attitude to the price
- Customers may be aware of other sellers who are selling the same products for less.

### 10.3 Place/Distribution

- The location where goods and services are sold
- Place where consumers can access the goods or service
- The business can sell the product directly to customers itself or can market the product through other businesses
- Businesses may use the following channels of distribution:



- Direct selling: manufacturer sell directly to consumers
- Door to door selling businesses employ salespeople to sell door to door and they carry few stocks with them
- Mail Order: Large businesses print catalogues that can be used by consumers to order of their choice. Small businesses advertise in local paper inviting consumers to buy direct from the business.
- Telephone selling: he business employ people who phone members of the public and try to persuade them to buy their goods
- Internet: businesses uses systems in the internet to allow customers to order their shopping online and have it delivered to the door

#### 10.4 Promotion

- Refers to how the business is going to make its target market aware of its product or service
- The proposed business must include detail about its promotion policy.
- The promotion policy must describe how sales of products will be promoted.
- Outlines the following methods of advertisements:
  - Advertising through the radio, magazines, press, television etc
  - Special offers
  - Trial products such as free sample for testing
  - Free gifts
  - Direct mailing
  - Online marketing
  - Social media
  - Public relations
  - Brand awareness

#### 10.5 People

- Refer to employees, management, directors and shareholder/All people involved in selling the products.
- The business plan must include detailed information of people that will be involved in the proposed business and in making a business.
- They can affect the business with their knowledge, skills and attitudes.

#### 10.6 Process

- Refers to processes that are designed and implemented to ensure a pleasant shopping experience
- Describes the way in which the marketing and sales processes are carried out
- The process of giving a service and the behavior of those delivering the service are important for customer approval of staff to customers keep customers happy

- Examples of systems and processes that will ensure a good customer experience:
  - Systems and processes to ensure that consumers do not wait long in cues/for goods delivered
  - Systems and processes to make sure telephonic messages are dealt with and delivered to the right person.
  - Systems and processes to ensure that e-mailed messages are read.

### 10.7 Physical environment

- Refers to the environment where goods and services are sold/service rendered.
- It includes the appearance of the building and the uniforms of employees.
- The physical environment must be appropriate and make the customer feel comfortable
- Clean and functional facilities attract and retain customers
- Well decorated reception also helps to reassure customers that the business offers best services and values their customers.

### 11 Strategies to overcome competition in the market

- The business should use the following strategies to overcome competition in the market:
  - Sell quality products and services
  - Offer after-sales services
  - Charge reasonable prices
  - Conduct intensive marketing campaigns
  - Make use of clever advertising slogans
  - Make your product unique
  - Provide attractive product displays

### 12 Financial plan including a balance sheet

- It is a detailed description of the entrepreneur's financial contribution, the funding requirements, projected cash flow statements for a three-year period.
- The purposes of financial analysis is to project/predict the profitability of the proposed business and also to project how long it will take before the business starts to show a profit.
- A Financial plan includes the following elements

ELEMENTS	DESCRIPTION
Budget	<ul style="list-style-type: none"><li>• Monthly indication of projected flow of cash in and out of the business</li></ul>



	<ul style="list-style-type: none"><li>• Helps the owner to control the spending money by comparing the actual income and expenditure.</li></ul>
Cash flow statements over a three-year period	<ul style="list-style-type: none"><li>• Refers to cash flowing in and out of the business</li><li>• Helps the owner to identify operational difficulties the business is going to experience and any need for more finance</li></ul>
Income statement	<ul style="list-style-type: none"><li>• A monthly account of sales and expense</li><li>• Shows profit and loss.</li></ul>
Break-even point	<ul style="list-style-type: none"><li>• A point at which profits are equal to expenses/ A business does not show profit nor loss</li><li>• Shows how much the business sold to cover all expenses before making a profit</li></ul>
Balance sheet	<ul style="list-style-type: none"><li>• A list of all business assets, liabilities and owners 'Equity at a specific point in time</li><li>• Assets include land, buildings, equipment, vehicles, money in bank account</li><li>• Liabilities are monies owed to other people or businesses such as bank loans, buying on credit, bank overdrafts etc</li><li>• Owners' equity-is the difference between the total liabilities and total assets.</li></ul>

