

THE JOB HUNTING Guide

Start a Business



ARE YOU AN ENTREPRENEUR ?

An entrepreneur is defined as a person who takes the risk of starting a new business.

The word derives from the French "*entre*" (to enter) and "*prendre*" (to take), and in a general sense, applies to any person starting a new project or trying a new opportunity.

In South Africa there are many people who are not managing to find jobs. Starting a business is an alternative way of making a living. Could you start your own business?

People often ask the question – "Am I an entrepreneur?" How do you know if you are an entrepreneur? Is an entrepreneur born or can a person learn to become an entrepreneur?

Many people who start their own business fail! However, there are those who start and fail but eventually succeed, provided that they do not give up. For this reason one of the key aspects of success in starting a business is PERSISTENCE.

If you are determined to succeed you will eventually make a success of your future.



Activity 1: Am I an Entrepreneur? (rate yourself).

Answer "No" or "Yes" to the following questions by placing an "X" in the appropriate column. Be honest and realistic in your assessment.

Characteristics	No	Yes
1. People sometimes think of me as "stubborn" and difficult		
2. I am very competitive		
3. I want to be my own boss not work for a boss		
4. I believe that money is a measure of achievement in life		
5. I always question conventional wisdom		
6. I am always looking for new and better ways to do things		
7. I am a risk taker		
8. I am always thinking up new ideas		
9. I am someone who takes initiative if I want things done		
10. I am responsible for my success or failure in life		
11. I take shortest route to get a job done		
12. I think 'out the box'		
13. People in my direct family run their own business		
14. I like selling things to make money		
15. I believe I can do things <i>better</i> than most people		
16. I look for ways to make extra money like part-time jobs, or buying and selling things to make a profit		
17. I would rather fail at my own business than succeed doing someone else's business		
18. I get people excited about my ideas		
19. I am always comparing the prices of things to buy		
20. I am never satisfied and complacent with where I am or what I have in life		
Total		

Scoring: If you answered 15 or more of these questions as "Yes" then chances are that you have good entrepreneurial instincts. Maybe you will have your own business one day! If you scored less than this then don't worry, it does not mean that you cannot be an entrepreneur one day if that's what you want.

Activity 2: Can I learn to be an entrepreneur?

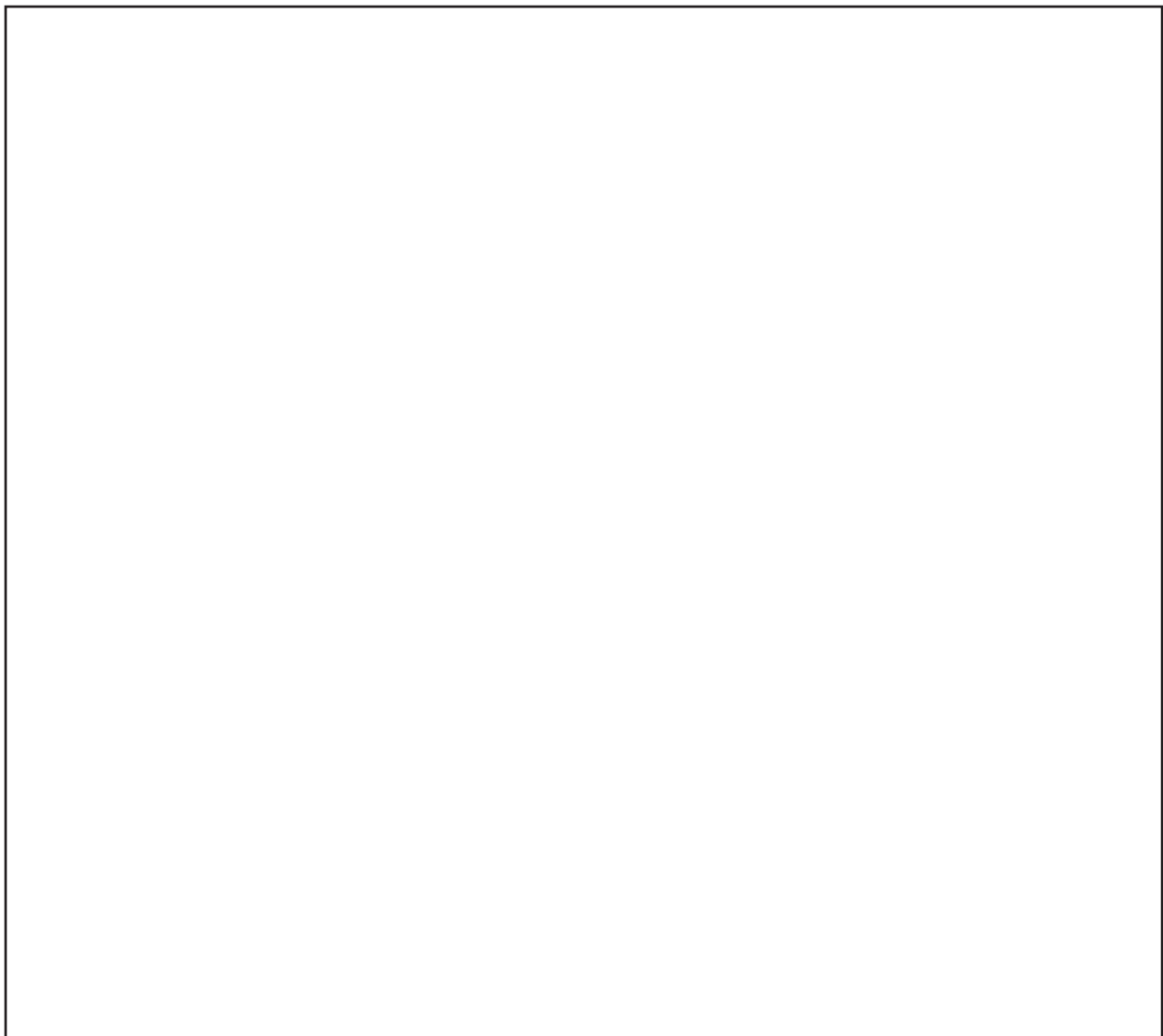
Are entrepreneurs born or are they made? Is there something like an “entrepreneur gene”? eg. a special type of person born with the characteristics. What do you think? There is no-one who possesses every entrepreneurial traits or skills. In fact entrepreneurs need other people who are not entrepreneurs to help them to achieve their goals.

2.1 What are your entrepreneurial strengths?

If you were to start your own business what would be your strengths that you possess to help the business to succeed. Brainstorm and write down your entrepreneurial strengths.

2.2 Your dream business

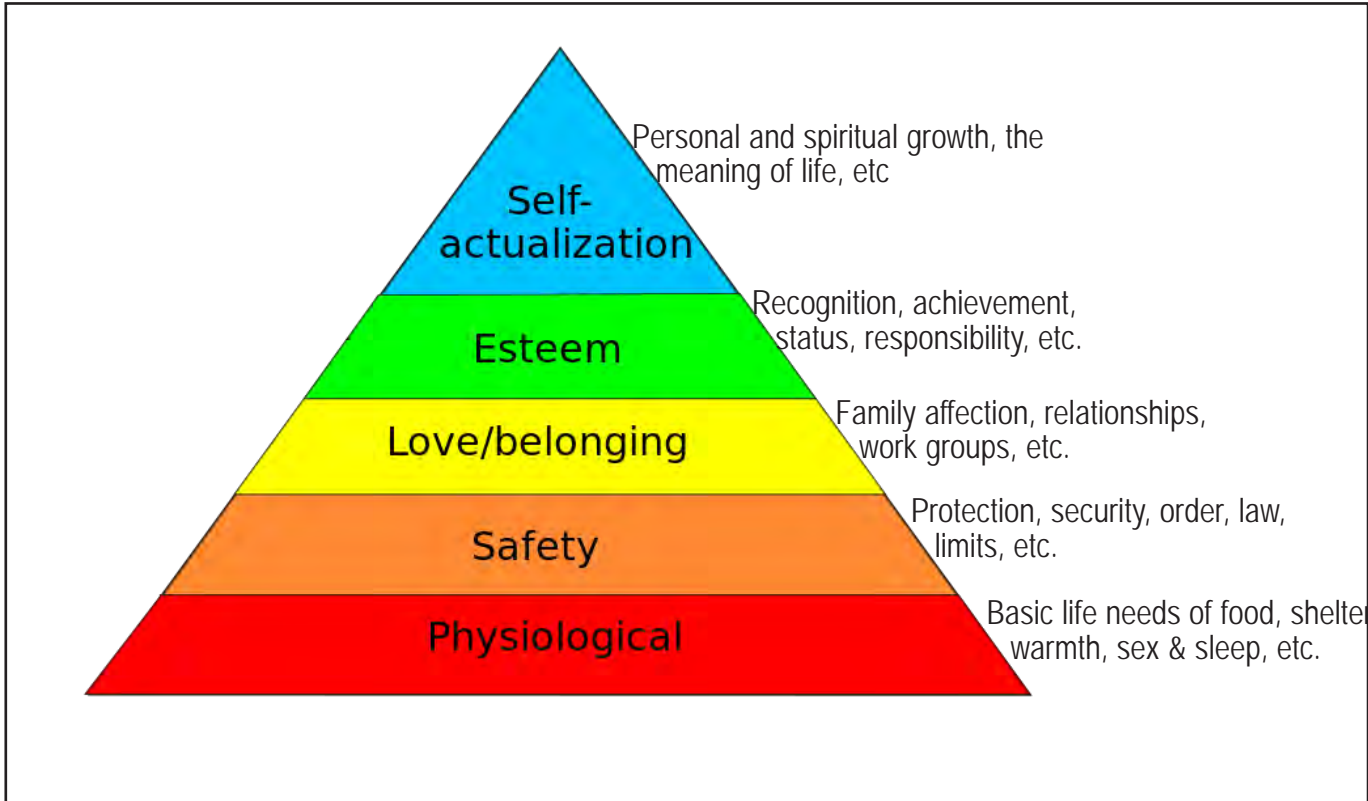
What is your dream business? If you could do any kind of business in the world, what would it be? In the space below, draw or describe what this business would be (no restrictions the more whacky the better).



Activity 3: Brainstorm business ideas (in groups)

Maslows Hierarchy of Needs

Think about Maslow's Hierarchy of needs and what motivates people. Some people argue that many businesses are driven by greed and not need? Do you agree?



Activity 3: Brainstorm business ideas (in groups)

Make two columns on a sheet of paper, a narrow one on the left with the heading, "Human needs" and a wider one on the right with the heading "Business opportunities". In the left hand column, list all the different human needs that you can possibly think of, eg the need for "food", "shelter" etc. In the right hand column write down a number of business ideas that you associate with this need. Discuss and decide which is the most original idea on the list.

Human needs	Business opportunities
Food	Sandwich take-away, mobile popcorn vendor
Shelter	
Security	
Entertainment	
Other	

BUSINESS PLAN (TEMPLATE)

What is a business plan?

A business plan is a document that you will use to test whether a business idea is a “true opportunity” or not.. It is a document that you may use to convince other people that your business idea will work. It is like a road map - a guide for showing you the next step. There are many ways to write a business plan but most business plans should have a number of common elements.

ELEMENTS OF A BUSINESS PLAN

Title page

Includes the name of the business, and contact person.

Biographics page

The biographical page is similar to a CV. It contains a short summary of the nature of the business, including the name of the business, business type (i.e. sole trader), registration number, address, telephone, cell-phone, fax, e-mail, business, banking details (if relevant).

Table of contents

Includes a list of the sections contained in the business plan, including the appendices.

Executive summary

This describes your business in no more than 60 words. The executive summary should not only describe the business, but also include the up-front benefits such as how the business would generate money and what its income potential would be.

Marketing plan

This includes, firstly, a short discussion on the research undertaken by the entrepreneur to do with the industry, market size, potential customers, trends in the industry, competition and how the business would distinguish itself from others in the market. Secondly, it includes a discussion of the sales strategy, as well as information on pricing and sales tactics.

Financial plan

This includes the income statement, the cash flow statement, balance sheet and capital requirements. The overall purpose of the financial statements is to provide an indication of the profitability as well as to present a time-frame for achieving profitability.

Operations plan

This provides information on how the product or service is produced or obtained and delivered to the customer. The operations plan should include aspects such as location, floor plan of proposed production process, facilities, suppliers, space requirements, equipment requirements, quality control, etc.

Organisational plan

This provides details of the key management and personnel running the business. This can be done in a CV format, highlighting key aspects. The organisational plan may also include employment policies and details of administrative processes.

Appendices

These include supporting documents relevant to the particular business, such as copies of business registration forms, ID's of key personnel (if required), proof of residence, bank statements, licensing agreements, etc.

Activity 4: Write down your business idea (2 pages)

Before wasting time on a detailed business plan, write down your ideas and test your business idea or concept using the headings below as a guideline. Write or type out your business concept on 2 pages covering the five main points below.

4.1 What is your business name?

- Choosing the right name will add considerable value to your new business.
- Brainstorm possible names then choose between the best 3 options.
- Ask people what they think of the names.

4.2 What does your business do?

- What product or service does it produce?
- What product or service are you selling?
- Hint! A product is a thing whereas a service is something you do.

4.3 How much is the product or service you are selling?

- Hint! If you are selling a service its a service will you charge an hourly rate?

4.4 Who is your target market? (the demographic profile of your user)

- Where does your client live,
- Who is your client its age, gender, income level, etc.

4.5 What makes your product or service unique?

- Compare your product to similar products its: price, quality, speed of service, packaging, customer service, etc.



Activity 5: Do a competitive analysis

Customers may have thousands of other, fairly similar options to choose from. Why should they choose your product or service? Marketing plans are not an exact science. Explain how the product or service would get into the hands of the customers!

- Find out what opportunities are available within your industry by first conducting an industry profile.
- Conduct a competitive analysis by comparing your product or service to others within your industry.
- Determine the profile of your customers.
- Ask your customers questions in order to gauge their reaction to your product or service.
- Look at issues of quality, cost and pricing.
- Then look at ways of penetrating the market.
- Decide what sales or promotional strategy would work best to create awareness of your product or service so that ultimately the customer will buy it!

5.1 Industry profile

Which industry does this product or service fall into, i.e. construction, retail, manufacturing, travel and tourism, hospitality, mining, media, etc.

Industry _____

Is it a growth, stable or declining industry?

What are the trends in this industry?

Are there any seasonal considerations in your industry, eg. ice-cream is sold more in summer than winter?



5.2 Competitive analysis

Conduct a competitive analysis by comparing your product or service to others within your industry, in the table that follows.

Competitor name	Address or location of this competitor

How would your business compete with this business in terms of the following?:

- Price (What do your competitors charge?)

- Quality (What quality aspects of their product can you identify, both good and bad?)

- Unique Features (Are there unique features that make their products special?)

- Supply channels (where do they get their raw materials? / How do they get their product to the customer?)

- Geographic location (in which areas do your competitors operate?)

- Market Share (what percentage of the market do they supply in that areas?)

- Describe how you would differentiate your product or service from those of your competitors

5.3 Customer profile

Customers are people or organisations that you intend selling your product to.

- Determine the profile of your typical customer. Who is this person / organisation? List at least five demographic characteristics i.e. age, culture, sex, income group, etc.

- Draw up a short questionnaire to ask your customer questions about your product or service. i.e. What do you think about the product , price, etc.

Submit your questionnaire as an appendix

- Look at issues of quality, cost and pricing. Then look at ways of penetrating the market. Discuss how you are going to penetrate the market.

- Linked to the above question about penetrating the market, discuss your sales or promotional strategy that you believe would work best to create awareness of your product or service, so that ultimately the customer will buy!



Activity 6: Choose a media campaign

Choose one or two of the media strategies below to market your new business to your target market. This should form part of your sales strategy in your business plan.

ADVERTISING STRATEGY	COST	CHECK √
Go to the customer, door-to-door and tell them about your product or service		
Hand out business cards		
Display using a notice board		
Advertise in newspaper / magazine / radio		
Special offers		
Promotions		
Create samples		
Catalogue		
Other		

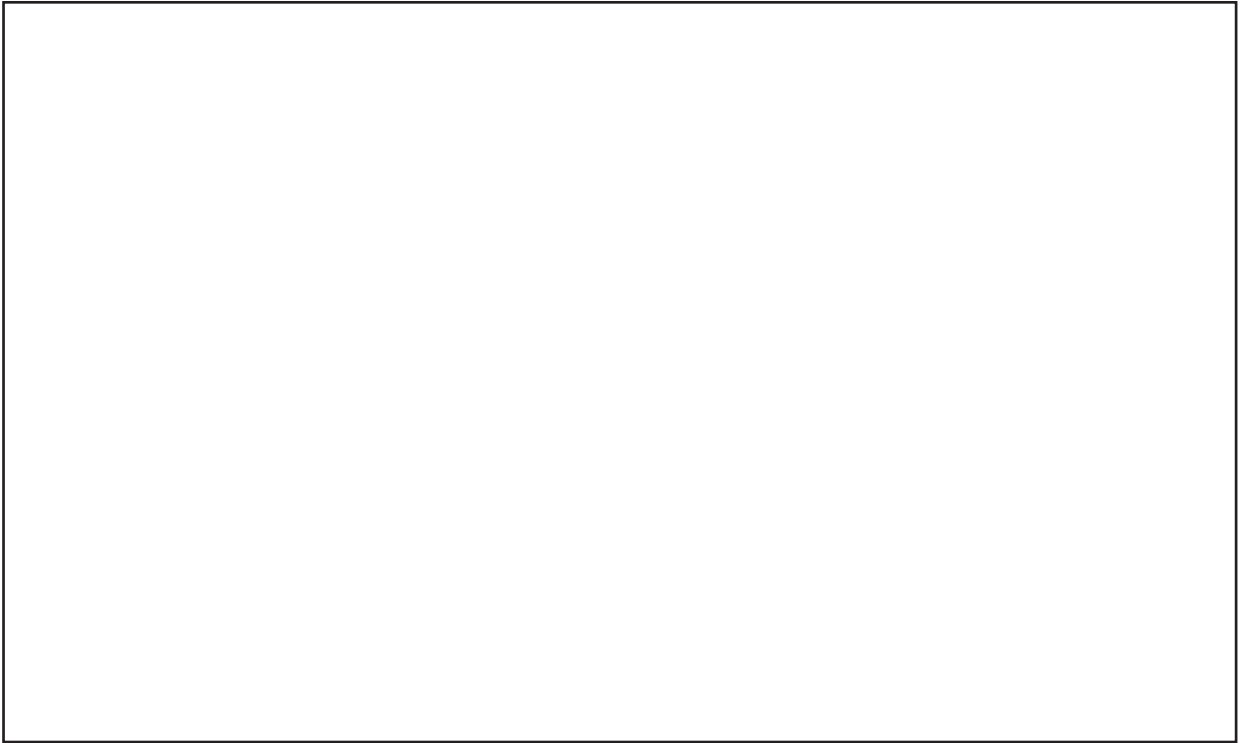
Explain your media campaign in more detail:

- What are you going to do?
- Why have you chose this campaign?
- Will thhis campaign work better than another option.

Activity 6: Create marketing materials

- Create a logo for your business and attached it as an appendix. Draw up a pamphlet and attach it to your business plan as an appendix.

Front view:



Back view:



Evaluation of your business idea! (rubric)

You business ideas and research will be evaluated against the following criteria (you will be marked X on a scale of 1 to 5 for each criterion).

Criteria	1	2	3	4	5
Self-assessment of entrepreneurial strengths	Incomplete and showing little insight.	Complete but not well thought through, little self-insight shown.	Complete and well presented.	Well thought through showing self-insight.	Well thought through and presented with creativity and insight.
Business name and description	Incomplete with little effort demonstrated.	Complete but with no originality demonstrated.	Complete with some creativity and effort shown.	Well thought through. showing creativity. Good business idea. The business suits the person.	Well thought through. showing creativity. Good business idea. The business suits the person.
Business concept	Incomplete with no effort demonstrated.	Complete but tardy work, eg. Did not stick to the topic, errors, etc.	Complete and well presented.	A sound business concept. Well thought through showing self-insight. Well presented.	An excellent business concept showing creativity and insight.
Industry profile	Incomplete with little or no research undertaken.	Complete but with little research on type of industry.	Completed in full with research done correctly.	Thoroughly researched and well presented.	Excellent research over and above the requirement. Presented with creativity and insight.
Competitive analysis	Incomplete with little or no research undertaken.	Complete but with little research on competitors. Little effort demonstrated.	Completed the competitive analysis in full.	Thoroughly researched and well presented.	Excellent research over and above the requirement. Presented with creativity and insight.
Customer profile	Incomplete with little or no research.	Complete but with little research on the customer.	Completed in full with research on possible customers done correctly.	Thoroughly researched. Accurate customer profile presented. Well presented.	Excellent research on the customer profile showing clear distinction in demographics, eg. age, gender, etc. Well presented, showing creativity and insight.
Media Campaign	Incomplete and badly thought through.	Complete but badly thought through.	Complete and able to justify "why this campaign"	Ideas logically presented with good insight.	Novel ideas not included in the brief are presented.
Media for advertising	Incomplete or partially complete. little effort demonstrated.	Complete but with little creativity and effort demonstrated.	Completed what was required and accurately reflects what the business is selling.	Well presented. The media stands out from the rest and accurately reflects what the business is selling.	Excellent work! Creatively presented.