Discuss/Explain/Describe **CHARATERISTICS, ADVANTAGES & DISADVANTAGES** of forms of ownership.

1. SOLE PROPRIETOR

1.1. CHARACTERISTICS:

CHARACTERISTIC	DESCRIPTION
NAME	No legal requirements regarding the name of the business.
NUMBER OF OWNERS	Only one owner
MANAGEMENT	Can make quick decisions without consulting others.
CAPACITY	Easy to control because it is a small business.
LEGAL REQUIREMENTS	There are no legal and administrative formalities in the form of a sole proprietorship.
LIABILITY	The unlimited liability and the private property of the owner can be used to pay the business's debts.
LEGAL PERSONALITY	A sole proprietor is not a legal entity and agreements entered into by the owner in his / her personal capacity.
CONTINUITY	No continuity as business is dependant of the owner.
CAPITAL	Personal debt and business debt is one and therefore capital should be carefully spent and managed.
PROFIT SHARING	The profit of the company belongs to the owner, as there is no distinction between the owner and the enterprise.
TAXATION	Depending on how much income is earned by the owner, his / her tax rate will be lower than the corporate tax rate.

1.2. ADVANTAGES AND DISADVANTAGES:

ADVANTAGES	DISADVANTAGES
• Easy & cheap to establish. • Quick decision-making. • Owners receive all the profit. • General experience in all aspects. • In contact with customers, suppliers and employees.	• Unlimited liability. • Has no legal personality & continuity. • Owner accepts all risks. • Owners focus on some aspects and neglect others. • Owners are overworked. • Capital is limited. • No job security.

TOPIC 3: TRANSFORMATION OF A BUSINESS PLAN INTO AN ACTION PLAN

Discuss/Explain the **PURPOSE OF A BUSINESS PLAN** (Recap)

- to get financing from investors or lenders
- to allow the entrepreneur to evaluate the viability of a business idea
- to improve operations and business processes and practice
- to evaluate the success of a business
- to identify improvements that need to be made.

Explain the **MEANING OF AN ACTION PLAN**.

- An action plan is a record of activities that shows how these activities will be organised to achieve the objectives set out in the business plan.
- It is a planning / monitoring tool that mentions which tasks should be performed in a certain period.
- Help businesses focus on viable business ideas and devise strategies to achieve a specific goal.

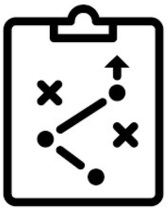
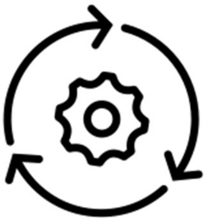
Discuss/Explain/Describe the **IMPORTANCE OF AN ACTION PLAN**.

- Identify problems that may occur.
- Act as a monitoring tool that makes it possible to monitor progress.
- Enables businesses to turn a business plan into an action plan.
- Businesses can think logically and identify gaps in the plan.
- Serves as a monitoring tool to measure standards against performance.
- Businesses can reflect on what happened before and what actions did not help.
- Action planning can bring individuals / experts who are knowledgeable in that area.
- Explain business objective and provide the opportunity to explain exactly what change is required.
- Create ownership and accountability by creating a sense of individual and collective ownership of the action plan.
- Time scales that need to be done can be made clearer to achieve a specific goal.
- Measures for success can be made clear by providing a means of progress towards that goal.

Outline/Mention the **STAGES OF ACTION PLAN**/Steps to follow when drawing up an action plan.

- Summary of your vision, mission, long term goals and short-term goals.
- Work subdivision structure - identify what is being done, organise the plan into manageable phases that individually or as part of a group of tasks can be performed.
- It gives an overview of what needs to be done who and when to complete it, as well as the expected outcome.
- Timelines indicating targets and deadlines - indicate dates, use a series of dates on a linear scale to determine the due date or date of completion for each of the short-term objectives and indicate tasks.
- Gantt map - Use information about Action Step Map and Timeline
- Developing Gantt chart clearly shows the activities against dates.

Outline/Mention/Explain/Discuss **<u>ASPECTS THAT MUST BE CONSIDERED WHEN INITIATING A BUSINESS</u>**.

STRATEGY 	**The strategy looks at <u>how you will achieve your goals</u>.** • This includes an Action Step Chart to outline the vision, goals and an action plan. • These must be used to develop the system and processes for the business to achieve its outcomes. • A monitoring and evaluating system must be established. • This system provides constant feedback on any weaknesses and successes.
OPERATIONS 	**The operations indicate <u>what needs to be done</u> to achieve your goals.** • Die besigheids- en aksieplanne identifiseer die operasionele plan. • Bewerkings moet geïmplementeer word, personeel moet indiens geneem en opgelei word. • Hulpbronne moet verkry en bestuur word. • Daar is konstante monitering en evaluering om te verseker dat hulpbronne doeltreffend gebruik word.
PRODUCTIVITY 	**Productivity needs to be <u>planned and monitored</u>.** • The Action Plan includes budgets and financial planning. • To ensure productivity in a business, costs are decreased and output increased. • Continuous monitoring and evaluation are done to ensure maximum productivity. • Improvements are implemented constantly to improve profits.
SIZE OF A BUSINESS 	**What is the size of the business?** • The bigger the business the more difficult it is to manage. • The success of a business often depends on the management and staff. • It is more difficult to manage and control a larger group of employees. • If there are too many employees, it is difficult to keep control of the quality of work for each employee, the actual work and productivity levels.

Learners must analyse the above-mentioned factors from scenarios/case studies and make recommendations for improvement.

Explain/Discuss **<u>REASONS WHY BUSINESSES NEED FUNDING</u>**.

- To start a business.
- To finance expansions to production capacity.
- To develop and market new products.
- To enter new markets.
- Take-over or acquisition.
- Moving to new premises.
- To pay for the day to day running of business.

Outline/Mention/Explain **TYPES OF WRITTEN INFORMATION**.

BUSINESS REPORTS 	• A business report is a document containing information organised in a **NARRATIVE**, **GRAPHIC** or **TABULAR FORM**.
BUSINESS PLAN 	• A written document describing the **NATURE** of the business, the **SALES** and **MARKETING STRATEGY**, and the **FINANCIAL** background.
INFORMATION 	• An informational report provides a **SUMMARY OF INFORMATION** and data found on a **PARTICULAR TOPIC**. • One such report is the <u>expense report</u>: this report is a set of information that is used to request allocation of funds. The format is strictly pre-determined and it is often completed at the end of a business trip.
ANALYSIS 	• Information is **RESEARCHED** and **COLLECTED**, then the report provides an **ANALYSIS** that **LEADS** to one or more **RECOMMENDATIONS**. For example, consider a report that helps a company determine where to open a new store

Outline/Mention/Explain/Recommend **STEPS IN REPORT WRITING**.

STEP 1: Determine the <u>purpose and scope</u> of your business report

- A business report should not be too vague.
- Only include specific points and information that may be helpful to the business' current situation and its future strategies

STEP 2: Create a clear <u>framework</u>

- A business report typically includes four major parts: introduction, discussion, conclusions, and recommendations.

STEP 3: Consider your <u>readers</u>

- Know why readers need a report.
- Know their position in the company and their education level as these will help you know what and which information you need to include in your report.

STEP 4: <u>Gather and organize</u> data and information

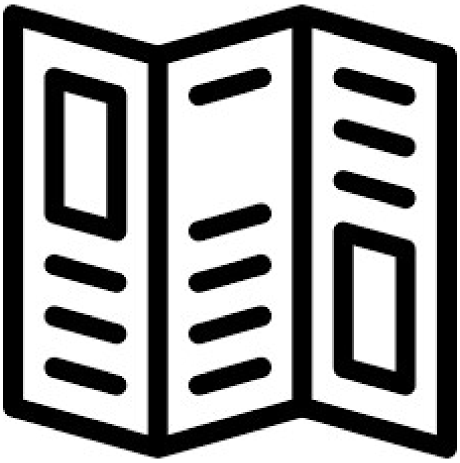
- You can either collect information from primary sources or secondary sources.

STEP 5: <u>Analyse</u> the data gathered

- Based on the data you have gathered, you may include recommendations that can help achieve business goals.

Outline/Mention/Explain factors that must be considered when **COMPOSING A FLYER**.

- Flyers come in different formats depending on the purpose and the budget.
- Certain points to remember when preparing a flyer:



1. Decide on a central message for the flyer.
2. Make the central message bold, clear and eye catching.
3. Do not use too many words.
4. Use large font for the important details.
5. Be creative and use interesting images.
6. The layout of the flyer must be attractive and appealing.
7. Include details such as:
    a. What you are advertising
    b. Who you are
    c. Where to find you
    d. How to contact you
    e. The date of an event, if applicable
8. Proofread your design before it goes to print.