Training for employment

*an interactive journey that teaches you how to find a job...*

An outcome of the project:
“Developing Open learning Communities for Gender Equality with the support of ICT’s”

Implemented by UNESCO in South Africa and Mozambique

June 2004
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Foreword

At the Naledi3d Factory we have focused on the development of visual learning content using Virtual Reality (VR); also called “interactive visual simulations” VR allows us to create content which is both context as well as content rich, in realistic and stimulating three-dimensional environments - where individuals can develop new skills without risking damage, loss or injury. Gone are the days when VR was the exclusive reserve of “techies” with expensive head-mounted displays and tactile gloves. Today we are able to bring this powerful and practical communication medium to most modern desktop PC’s and any community.

With the support of UNESCO, VR is coming into its own in Africa - where lower literacy skills and language barriers can pose a huge challenge to learning. The visual nature of VR overcomes literacy barriers by *showing* content as opposed to *telling* it. This gives VR a very distinct and powerful advantage over traditional text-based education. Neurological research has shown that the human brain is a visual organ dedicated largely to the processing of visual stimuli. Current teaching methods do not fully exploit this important ability of the brain.

We believe VR can have a tremendous impact on education in Africa by enhancing the training and education of learners that lack strong reading and writing skills. This can help people leapfrog ahead in terms of skills - in turn leading to poverty alleviation and economic growth.

VR has been used to communicate concepts and practice in a wide range of disciplines, including industrial training and safety, heritage, new technology concepts, town planning, health and hygiene, etc.

Now we see it used to increase awareness of issues around employment for the urban youth in Africa. This content was piloted through the Alexsan Kopano Community Centre in Alexandra, near Johannesburg and has been well received by the youth that have already been exposed to this “Interactive Training for Employment” guide.

*It is hoped that from this project, many more young people will be able to not only be empowered, but also empower themselves to work towards their own future.*

The work of the Naledi3d Factory is summarised in a document entitled “*Rising to the African Education Challenge*” [http://www.naledi3d.com/Articles/Naledi3dOverview04.pdf](http://www.naledi3d.com/Articles/Naledi3dOverview04.pdf)
Acknowledgements

This CD supplied with this Facilitator Guide is a product of the UNESCO project “Developing open learning communities for gender equality with the support of information and communications technologies ICT’s).” It was undertaken within the framework of UNESCO’s projects relating to the cross-cutting theme “The contribution of ICT’s to the development of education, science and culture and the construction of a knowledge society”.

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In addition to UNESCO, the following organizations contributed to the development of this product.

Alexsan Kopano Community Centre
The Alexsan Kopano Educational Trust is a developmental organization. One of its projects is the Alexsan Resource Centre, a multi-purpose centre based in Alexandra. It was at this centre where the process analysis and background research and materials for this project took place. The work was carried out with the involvement of the centre staff and Alexandra youth. More information on the Trust and the Centre and its work can be obtained from the chairman’s report on the website www.alexsankopano.org.za.

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the Naledi3d Factory
The Naledi3d Factory focuses on the development of visual learning content using virtual reality (VR); also called “interactive visual simulations”. Previous projects include a rural hygiene simulation (Uganda, with UNESCO); an HIV/AIDS awareness programme for teachers (Ethiopia, with IICBA and UNESCO); visualisation of 12 alternative power technologies for rural communities (ESKOM) as well as technical training, such as a lathe and milling machine training simulator for the SA Department of Labour.

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Interactive training for Employment
1 Getting Started

1.1 Installation Notes

For best performance, it is recommended that you install this program on to your hard-drive, rather than run this program from the supplied CD. To install the program to your PC hard-drive, follow these steps:

- Insert the CD into your CD-ROM drive
- Wait for the start-up screen that will ask if you wish to view supporting material (for example, regulations, CV templates and Business plans) or to install the program itself
- Choose >>Install
- Specify where you want to install it to or just click >>Next to install the program to the default location
- Confirm that you wish to install it >>Yes
- Wait for installation to complete
- Remove the CD and store it in a safe place.

You are now ready to begin using the program.

1.2 Running the program

You can begin to use this program by simply double-clicking on the icon on your desktop. This will load the program. Once it has loaded, click on the book to begin. The book will open and then click on “Start” to begin the simulation program or on any other menu items in the book to go to other areas of interest.
1.3 **Hardware and Software specifications**

This program requires the following *minimum* specifications to run:

<table>
<thead>
<tr>
<th>Preferred</th>
<th>Minimum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pentium 4 - 1Ghz (or better);</td>
<td>Pentium PIII 750Mhz 128Mb RAM;</td>
</tr>
<tr>
<td>256Mb (or 512Mb) memory;</td>
<td>Riva TNT2 AGP video card (32mb memory);</td>
</tr>
<tr>
<td>AGP graphics card – GeForce 4 - 64Mb RAM (or better);</td>
<td>Sound card;</td>
</tr>
<tr>
<td>Sound blaster Live;</td>
<td>Windows 98;</td>
</tr>
<tr>
<td>Windows XP;</td>
<td>150Mb + hard disk space</td>
</tr>
<tr>
<td>3Gb hard disk space</td>
<td>Internet Explorer v6 or above</td>
</tr>
<tr>
<td>Internet Explorer v6 or above</td>
<td></td>
</tr>
</tbody>
</table>
2 Introduction

Welcome to the Interactive Training for Employment program.

Many young people today have difficulties in finding out what they need to do in order to get a job and build a career. Information is often very vague or not accessible and in many cases, it is even difficult to find out where to start.

To complicate matters more, the number of available jobs are becoming less and less while fear and other factors limit your understanding of the employment process.

This program has been designed to address these needs in a new way, and gives you access to information when starting a career after your studies.

It also highlights the differences when making a choice between formal employment and setting up your own business.

It exposes you to typical issues involving employment such as:

- Introducing some required life skills
- Helping with research which will help you to find out what your appropriate choice could be for a career
- Assists in putting together a CV
- Takes you through the process of going for a job interview
- Working in the corporate or start-up business environment
- Shows you how to write a business plan.

It does not aim to address all these issues and neither does it intend to provide expert opinion and comprehensive information regarding all aspects of employment today.

It rather aims to highlight typical issues which will help you to think about your future. It provides a guideline and foundation from which you can get started on your career and find additional information as required.
This information is portrayed through a comparison between the two different directions taken by twin teenage girls in a typical South African township who have just completed their schooling.

- **(Keamogetswe)** who goes into formal employment *(colour-coded in yellow)*
- **(Keabetswe)** who starts up her own business *(colour coded in red)*

Through the experiences of these two twins as they start in their respective careers, you are exposed to many of the typical issues that can influence employment, as described on the previous page.

As the twins move to different places in the 3D world, the program makes use of dialogue, which is also reinforced through text, to convey key points.

Locations include:

The two girls’ home and a nearby community centre.

The offices of the company where Keamogetswe will work (her office and her boss’ office).
The factory where Keabetswe sets up her business.

You can walk around rooms and inspect objects. *How to do this is explained in more detail in Section 5 - Navigational Help.*

You can click on objects which are associated in some way or another with the subject, or topic that they represent. For example, the *clock* in Keamogetswe’s office is linked to material covering *time management and prioritization*.

At the end of the program, when you have worked through at least one of the two options (formal employment or self-employment); a final conversation between the two twin sisters takes place in their home. Here, they discuss the key advantages and disadvantages of their respective work choices to generate an income for themselves.
Progress indicators - see how they change shape as you go through the programme... (See section 3.2 opposite)
3 Navigational Help

Begin to use this program by **double-clicking on the icon** on your desktop. Once it has loaded, click on the book to start. The book will open. Click on “Start” to start the program; or one of the other menu items in the book to go to other areas of interest.

3.1 Finding your way around

When in the simulation, click on objects that are glowing in a room to activate an explanatory animation. Alternatively, click on glowing arrows to move to a different section. If you place your mouse over any **glowing object** for half a second, an explanatory “tool-tip” will appear to tell you what that particular topic is.

To rotate a "Room", hold down your right mouse button and drag the mouse to the left or right.

To walk around the model, press the "W" key while not watching an animation. You will then be able to walk around, note that you can (and probably will) walk through the walls. To exit walking mode, press the "Esc" key or simply click on a glowing object. If you can’t find something to click on in the room, click on an arrow outside.

Animations unlock other animations, allowing you to move through the learning material.

3.2 Progress indicators

*Your progress through the programme is reflected by the red or yellow “Progress Shapes” in the top corners of the screen (shown opposite).*

To the left, **red** shows your progress in “Self Employment” (Keabetswe)
To the right, **yellow** shows your progress in “Formal Employment” (Keamogetswe).
Clicking on these shapes will take you to a menu that lists the learning points you've covered so far and gives you hints on where to find the material you haven't seen yet. The progress shapes fade-in as you complete sections.

See if you can tell what the object is going to be before you have completed all the sections?

3.3 Quitting

To Quit, click on the "Exit" in the bottom right corner of the screen. A confirmation box will ask if you are sure if you want to quit. *Remember that quitting erases all your progress and reloads the simulation program.*

*NB.* The program cannot remember where you have been if you restart, i.e. you have to work through the material and complete it before exiting - otherwise you may have to repeat everything you have already done.
4 Facilitator’s Notes

4.1 Objective

The objective of this Section is to cover key points regarding formal and informal employment; and provide a basis, or starting point from where to move forward in obtaining a job.

4.2 Outcomes

The various outcomes of this program are listed in the following Table, with where they are addressed in the program and finally, what to click on to get information. The main areas and their associated key discussion or learning topics are also shown.

<table>
<thead>
<tr>
<th>Outcome</th>
<th>Location</th>
<th>Trigger</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Life Skills</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Professional Image</em></td>
<td>House</td>
<td>Hair-brush</td>
</tr>
<tr>
<td><em>Self-esteem</em></td>
<td>House</td>
<td>Thought bubble</td>
</tr>
<tr>
<td><em>Handling nervousness</em></td>
<td>House</td>
<td>Mug</td>
</tr>
<tr>
<td><em>Expectation management</em></td>
<td>House</td>
<td>Continues with Mug</td>
</tr>
<tr>
<td><em>How to communicate?</em></td>
<td>House</td>
<td>Continues with Mug</td>
</tr>
<tr>
<td><em>How to be assertive</em></td>
<td>House</td>
<td>Continues with Mug</td>
</tr>
<tr>
<td><em>Motivation</em></td>
<td>House</td>
<td>Washing dishes</td>
</tr>
<tr>
<td><strong>Work - a legal perspective</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Labour Relations Act</em></td>
<td>Community Centre</td>
<td>Union Poster</td>
</tr>
<tr>
<td><em>Companies Act</em></td>
<td>Community Centre</td>
<td>Book</td>
</tr>
<tr>
<td><em>Occupational Health and Safety Act</em></td>
<td>Community Centre</td>
<td>Fire Extinguisher</td>
</tr>
<tr>
<td><em>Educational qualifications</em></td>
<td>Community Centre</td>
<td>SAQA Poster</td>
</tr>
<tr>
<td><strong>Finding and getting a job</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Where to find more information</em></td>
<td>Community Centre</td>
<td>PC</td>
</tr>
<tr>
<td>Topic</td>
<td>Community Centre</td>
<td>Facilitator</td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td>------------------</td>
<td>--------------</td>
</tr>
<tr>
<td>Identify opportunities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matching the job to yourself</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aptitude tests</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information required on your CV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CV layout</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CV Presentation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular updates of your CV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>References/Referees on your CV</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matric certificate (S)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Job interviews (Formal employment)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preparation for your interview</td>
<td>House</td>
</tr>
<tr>
<td>Conducting The interview</td>
<td>Reception, Boss' Office</td>
</tr>
</tbody>
</table>

### Keeping your job (formal employment)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Problem Solving</td>
<td>Own Office</td>
</tr>
<tr>
<td>Responsibilities and functions</td>
<td>Own Office</td>
</tr>
<tr>
<td>Stress Management</td>
<td>Own Office</td>
</tr>
<tr>
<td>Motivation</td>
<td>House</td>
</tr>
<tr>
<td>Basic financial management</td>
<td>Own Office</td>
</tr>
<tr>
<td>Time management and priorities</td>
<td>Own Office</td>
</tr>
<tr>
<td>Setting and achieving goals</td>
<td>Own Office</td>
</tr>
</tbody>
</table>

### Work ethics (formal employment)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ideal employee</td>
<td>Own Office</td>
</tr>
<tr>
<td>Accountability</td>
<td>Own Office</td>
</tr>
</tbody>
</table>
## How a business works (formal employment)

<table>
<thead>
<tr>
<th>How a business works</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Different sections in a business</strong></td>
<td>Boss’ Office</td>
</tr>
<tr>
<td><strong>Funding</strong></td>
<td>Own Office</td>
</tr>
<tr>
<td><strong>Business Plan</strong></td>
<td>Own Office</td>
</tr>
</tbody>
</table>

## Life skills - starting and running a business (Informal employment)

<table>
<thead>
<tr>
<th>Life skills - starting and running a business</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attitudes</strong></td>
<td>House</td>
</tr>
<tr>
<td><strong>Problem Solving</strong></td>
<td>Factory</td>
</tr>
<tr>
<td><strong>Stress Management</strong></td>
<td>Factory</td>
</tr>
<tr>
<td><strong>Basic financial management</strong></td>
<td>Factory</td>
</tr>
<tr>
<td><strong>Identifying my strengths</strong></td>
<td>Community Centre</td>
</tr>
<tr>
<td><strong>Time management and priorities</strong></td>
<td>Factory</td>
</tr>
<tr>
<td><strong>Setting and achieving goals</strong></td>
<td>Factory</td>
</tr>
</tbody>
</table>

## Identifying business opportunities (Informal employment)

<table>
<thead>
<tr>
<th>Identifying business opportunities</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Planning</strong></td>
<td>Community Centre</td>
</tr>
<tr>
<td><strong>How to do market research</strong></td>
<td>Community Centre</td>
</tr>
<tr>
<td><strong>Finding information relevant to my business</strong></td>
<td>Community Centre</td>
</tr>
<tr>
<td><strong>Business Plans</strong></td>
<td>Community Centre</td>
</tr>
<tr>
<td><strong>Funding</strong></td>
<td>Community Centre</td>
</tr>
<tr>
<td><strong>Responsibilities</strong></td>
<td>Factory</td>
</tr>
<tr>
<td><strong>Accountability</strong></td>
<td>Factory</td>
</tr>
</tbody>
</table>

## How your business works (Informal employment)

<table>
<thead>
<tr>
<th>How your business works</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Research</strong></td>
<td>Factory</td>
</tr>
<tr>
<td><strong>Different sections of a business</strong></td>
<td>Factory</td>
</tr>
<tr>
<td><strong>Marketing</strong></td>
<td>Factory</td>
</tr>
<tr>
<td><strong>Planning</strong></td>
<td>Factory</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td>Factory</td>
</tr>
</tbody>
</table>
In many cases the outcomes listed form part of a broader conversation or topic which is also addressed by the supporting text.

Outcomes are also addressed simply to provide a key point for the learner, so that they will go and think about it, reflect on that point, and hence, go and discover more about that subject that is relevant to their needs.
5 How to get the most out of this program

This program is designed to be explored by no more than 1-3 people sharing a computer at any one time.

Two to three learners working together will be able to hold discussions on the points covered.

More than three working together will make it difficult for each individual to participate fully and to absorb the content sufficiently.

In cases where the programme is used in larger groups, to maximise the impact of this program the following ideas are recommended:

- Use it as part of any curriculum related to entrepreneurship, life skills and career-development.

- If used in a classroom, if possible use a projector for easier viewing by the learners.

  Alternatively use the program as the basis for an activity aimed at developing planning and organisational skills. Ask each group to come up with alternative suggestions as to how they would plan so that all have access to the material on one particular day or during a lesson - and discuss the results.

  Once this has been achieved, use the best solution to have all students work through the programme.

- Use the program as a guideline covering the different topics to be addressed when discussing career choices and obtaining employment.

- Use different aspects of the story to stimulate discussion to explore associated information.

- Access the program to obtain ideas for ways to address obtaining employment in group or class plays, as well as for experiential learning activities related to employment.

- Access the associated documentation (relevant Acts and Regulations, CV templates and Business Plan outlines) and
use them as study material - or examples in teaching the fundamentals of obtaining a job or setting up a business.

- Apply the main sections of the various business plan outlines to the planning process involved in setting up either a real business or a “virtual” business - for discussion in the classroom.

- For greater structure to discussions and lessons in a classroom, the content may be structured as shown in the table in Section 4. For example, first address the shared skills and knowledge required; and then the formal and informal approaches separately.

  Each discussion can obviously be structured further according to topics and outcomes.

**NB.** These are only suggestions. They in no way constitute the only and best method for utilising this programme. There are many other factors that can influence how the system is used. These factors include the environment where the program is used; user profile; time available; background knowledge and skill of the facilitator / lecturer; available equipment etc.

This programme is intended to stimulate thinking around each of the issues covered. It forms a platform (or context) within which critical debate can take place. This debate should aim to provide a direction for the learner who is (or wants to) actively seek employment; or for the budding entrepreneur setting up his or her own business.

Finally, if you wish to see improvements made to this programme, or identify needs in other areas, please do not hesitate to contact the Naledi3d Factory using the contact details given in the Acknowledgements section of this user guide.
## Troubleshooting the programme

If your programme does not work properly, explore this section to find possible solutions to your problems.

<table>
<thead>
<tr>
<th>Problem/ Symptom</th>
<th>Possible causes</th>
<th>Suggested solution</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Installation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The installation won’t start</td>
<td>CDROM driver not properly installed, not functioning properly or CDROM is damaged.</td>
<td>Test it on another pc to see if the installation will start automatically. If it does, then reinstall the CDROM drive.</td>
</tr>
<tr>
<td>The installation crashes, hangs or does not complete</td>
<td>Unstable windows environment, insufficient memory or HDU space, damaged hard drive</td>
<td>Check your windows installation; you have enough memory, hard drive space; that all hardware is functioning properly. Reinstall CDROM drive or check hardware.</td>
</tr>
<tr>
<td>My computer does not see the CDROM</td>
<td>Defective hardware or incorrect installation of CDROM drive or CDROM damaged.</td>
<td></td>
</tr>
<tr>
<td><strong>Starting the program</strong></td>
<td>Resolution causes the icon not to be visible or it was not created during installation</td>
<td>Use the program group and start the program that WAY / create a shortcut manually / resize your desktop to see all icons. Upgrade your pc to higher memory and get a better graphics card or install on another pc</td>
</tr>
<tr>
<td>I cannot find the shortcut on my desktop</td>
<td>Check you have enough memory and that your graphics card is powerful enough to run the program</td>
<td></td>
</tr>
<tr>
<td>The program won’t start</td>
<td></td>
<td></td>
</tr>
<tr>
<td>When I start the program nothing happens/ my computer hangs</td>
<td>Check you have enough memory and that your graphics card is powerful enough to run the program</td>
<td>Upgrade your pc to higher memory and get a better graphics card or install on another pc</td>
</tr>
<tr>
<td><strong>Running the program</strong></td>
<td>Clicking more than once on the same thing or moving the focus to another window. Not sufficient memory.</td>
<td>Clicking multiple times on the same link could cause the program to become unstable and not respond. Check memory and restart.</td>
</tr>
<tr>
<td>After a while the program stops responding</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Interactive training for Employment*
7 Life Skills: the work environment

7.1 Professional Image

Dress Code
Dress code tends to be much less formal today than even ten years ago. However, there still tends to be expectations around a dress-style that is appropriate to a particular job. Even if you apply for a job as a cleaner or builder, you should still dress neatly and wear clothes that are neither seductive or make too powerful a statement.

Hygiene
It is important to be clean, brush your teeth and comb your hair, take care of your nails and use deodorant. If you don’t, then people’s perception can be that if you cannot take care of yourself then will you take care in your job.

Speaking
Use appropriate language, i.e. don’t curse or use foul language. Don’t shout, and always give someone a chance to speak. Think before you say something you might regret.

It is also important that you respect and address your boss (and customers) properly. Customers are the most important people in your business - they bring money to the table. Without customers, a business will close down. And, don’t forget, Government Departments have customers as well- in this case, the public.

You should also recognize and respect cultural differences when addressing others. For example, when you are talking to someone, do you make eye contact with them or not? How do you shake their hand etc?

Personal appearance
Personal appearance plays an important role at work as much as when you are self employed. People are more inclined to do
business with you when your image is positive, tidy, neat and organized because it implies that you would be able to take care of their needs in the same way.

7.2 Attitude

The importance of a good attitude towards other people and what you do is a key factor in how you grow and get along with them. It has a serious impact on the level of success in your own business if you are self-employed.

According to a popular saying there are 3 types of people:

- There are those who wait for things to happen
- Those who make things happen
- Those who wondered what happened.

7.3 Self-esteem

Self-esteem permeates everything we do and if your self-esteem is low, this affects your confidence and hence your abilities to achieve, produce, deliver etc.

This in turn can impact on your level of success at work - and even your employability; as well as how you conduct your own business. Self-esteem is about feeling good about yourself, recognising your positive points and learning how to put your best side forward.

Think about 5 things that you are good at or that you like about yourself?

What are the 5 things you really admire in someone else and why?
We recognize someone with poor self-esteem from these signs:

- Not fitting in
- Feeling rejected because of physical appearance
- Doing something that they really don't want to do
- Doing things just for the sake of getting attention
- Under achieving - because they believe that they are not smart enough, and having no respect for themselves.

You can promote your self-esteem by:

- Believing in yourself, being positive about yourself and not being led astray because you want to belong or be liked
- Seeing the good side of things that happen around you
- Setting your own objectives AND achieving them
- Accept the mistakes you make
- Make the most of your assets, and
- Ask for help if you need it - and as soon as you need it.

7.4 Handling nervousness

A perception of nervousness often causes other people to wrongly assume that such people cannot work properly and especially under pressure - resulting in deadlines not being met and therefore not being a good asset to the organization.

7.5 Managing expectations

Expectations can cause a lot of unwanted stress. Negative expectations can affect your self-esteem, your attitude, your image.

And if they are negative, guess what... things will probably go wrong. Expectations also have an impact on how positive you come across to your potential employer/boss and therefore your confidence level. Confidence is key to getting the job you want.
7.6 How do you communicate

The way you communicate is influenced by how you feel. A positive attitude or being friendly, knowing your job well, being confident and patient all influence how people experience you. This impacts on how they respond and communicate with you.

Rather say you don't understand than be polite and keep quiet. If you keep quiet, you will make it very hard for yourself to understand what is required.

Success comes to those who put in the effort and “seize the opportunity”.

7.7 Dealing with difficult people

- Always try to avoid responding to aggression with aggression. It is far easier to deal with an aggressive person calmly than becoming equally aggressive - doing so prevents both parties from resolving anything. This does not mean you should surrender, but rather assertively versus aggressively stand up for your rights and opinion.

- When someone always agrees with you it can be because they need to be liked and accepted. Make it easier for them to disagree in a way that they don't feel you won't like them afterwards.

- If someone talks about you in an unpleasant manner and you hear this, don't respond with revenge and aggression in your heart. Keep your composure and set the record straight very calmly. If they are disloyal, you also need to ask why and if there is no reason for it you should question why you are friends with them.

- When dealing with difficult people, maintain yourself, don't take things personally, acknowledge them, but don't agree with the other person's point of view.

- See complaints positively and as a way to put things right.

- Keep away from time-wasters.

- Go the extra mile yourself.
7.8 SEVEN deadly sins of customer service

1. Turn apathy into enthusiasm
2. Don’t brush them off, but reassure them
3. Turn coldness into warmth
4. Change condescension into respect
5. Move from robot-like behaviour to personal, active behaviour
6. Turn inflexibility into flexibility
7. When you deal with a customer, take responsibility.

When you work with customer complaints, don’t reject them, don’t react aggressively or take anything personally, don’t make promises that you cannot meet, or that you aren’t authorised to make, do what you say you’re going to do, and if you are wrong admit it and try to restore goodwill.

7.9 Managing the telephone

You can manage your phone calls by doing the following:
• Gain control by taking the initiative
• Keep control
• Decide the purpose of the call before you phone
• Make sure you understand and then show the caller that you understand
• Keep a pen / pencil and paper handy to make notes
• Be courteous and speak clearly
• Agree on the way forward if you undertake to do something.
• Close the conversation with a thank you.

How do you go about controlling the cost of the phone? Do you wait until you run out of money, or when someone tells you to stop or perhaps when the boss is walking by?

It is important to control the cost of the phone because it costs money, can impact on your productivity by taking up your or your employer’s time etc.
7.10 How to be assertive

Assertiveness means talking to others in such a way that they listen to you as someone who is confident and authoritative.

Being assertive however also means finding a balance between too assertive (arrogant) and non-assertive (submissive).

A non-assertive person is someone who might be very sensitive and touchy when something is said about them. They can feel devastated when something doesn't work for them. They end up doing something against their will or finding themselves in a situation against their better judgment because they didn't know how to get out of it. They also set goals but never achieve them or give up too soon. They think everyone is better and smarter than they are, and are vulnerable to peer pressure.

Assertiveness means sticking to your guns and repeating yourself so that others eventually get the message, agreeing in part because then the other person knows that they can’t bait you.

Assertiveness however also means that you should take responsibility for your own mistakes.

7.11 Problem Solving

The four basic steps in problem solving
Any problem (be it at work or in your life) has a solution:

1. Identify the problem
2. Analyze the situation / environment;
3. Identify all the possible solutions and
4. Apply the solution that is most appropriate.

In more detail, these steps are:

1. Identify the problem. This is also the most important step because it focuses on the matter at hand and if you don't know what the problem is, how can you hope to find the solution?
2. Before you can come up with solutions, you have to identify all the details of the problem. Identify who is involved; what has happened; what could happen next; what can be done; what are you trying to achieve, and any other issues that are relevant.

3. Identify where you can start to address the problem. Make sure you start at the root of the problem too and do not only address the symptoms or visible things.

4. Now you are finally in a good position to identify what alternative solutions exist in addressing the problem. The end result should obviously be a win-win solution for everyone and a positive outcome to the problem.

5. Select the solution that is best suited and implement it with total commitment.

Some relevant URLs on problem-solving:
http://www.hawaii.edu/suremath/howTo.html
http://www.mcli.dist.maricopa.edu/pbl/ubuystudent/process.html
http://whyfiles.larc.nasa.gov/text/kids/Problem_Board/problems/getting_started.html
http://www.gdrc.org/decision/problem-solve.html
http://www.honigideaguides.com/cps.html

7.12 Responsibilities and functions

When you are at work, you usually form part of a team that works together towards the success of the organization you work for.

Your job will have certain functions and responsibilities that are associated with it. These will be discussed or given to you when you start work.

Deadlines are dates by which you should be finished with a particular task. Other people in the team depend on you to meet deadlines, as they will need what you have done to complete their own work.

You will find that other tasks and responsibilities will also require your attention, which will make a demand on your time and abilities. How you manage to juggle these tasks is called “time management”
If you don't know how to prioritize and tackle your tasks and also how to handle your responsibilities, then you will very quickly experience stress in your life. In many jobs, time can put a lot of pressure on our ability to perform and deliver on assigned tasks. This causes stress for many people.

You will have to learn how to manage your time so that it doesn't reduce your productivity. If you don’t, it will drain your energy and concentration.

7.13 Stress management

In a typical work environment you may have a long list of tasks and responsibilities. This all causes stress and the answer is to:

- First of all prioritize your tasks
- Then identify the process to complete each one
- Allocate deadlines to each if they don't exist already
- Identify tasks on a per day basis for the next week making sure you don't have too much or too little for each day.

It is also important that, outside work, you have a hobby or two, do some sport; spend some time with yourself, and with family and friends. This helps to keep your body, and mind alert.
7.14 **Time management and priorities**

In the high-strung and high pressure workplace of today, planning is crucial. Tasks allocated from other planning processes need to be completed on or before deadlines.

To help with this, we can apply many tools, two of which are called time management principles and prioritization:

**Time management ...**

is used to allocate percentages of your working hours to complete certain tasks. This ensures that all tasks receive attention and are completed on time.

**Prioritization ...**

selects the tasks that have to be completed first as the ones that will be done first. Those that need to be completed last as the ones receiving the last attention.

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7.15 **Setting and achieving goals**

Setting a goal helps you to achieve something. It may be a goal to stop smoking; to find a new job; to be able to afford those new clothes within 3 months etc.

You can consider setting a goal for careers, leisure, education, finance, health as well as relationships.

Remember that you do not always achieve a goal immediately; it can take time to achieve that goal. That is why you usually set a date by when you will achieve that goal.

Sharing goals with others can lead to support and encouragement for achieving that shared goal (for example, we will ALL stop smoking by March 1st).
Sometimes, a goal has to be broken up into smaller, more manageable parts.

Key points in achieving your goals are:

- **Visualize where you want to be** - have an idea of what job you are after and make sure the goal is realistic.
- **Test the waters** - make your own assessment before you make your final choice.
- **Show your commitment** - tell others about your goals and get them to remind you about what you’ve set out to accomplish.
- **Focus on one area** - don’t have too many goals. It is often better to focus on one area and make a success of it.
- **Break into sub-goals** - break down your goal into manageable tasks, or chunks.
- **Use reminders** to yourself.
- **Acknowledge successes and failures** - we tend to give up too easily. Try a bit harder and longer when you don’t succeed.
- **Recognise failure** - sometimes we are too ambitious; so when we fail remember that we have not suddenly become bad or anything - we are still the same person - BUT we have tried.

Continually reassess your goals - this ensures they are still valid.

### 7.16 Work ethics

From an employer’s point of view, an ideal employee is:

- Someone who takes pride in their work
- Happy to work overtime when asked - etc.
- Sees solutions rather than problems;
- Someone who works to make a difference
- Can work smartly and manage their own time;
- Very productive and motivated
- Creative and innovative
- Responsible and accountable
- Healthy and happy
- Committed to your job.
8 Life Skills: Financial management

8.1 Basic financial management

Basic financial management is called **budgeting** and involves knowing how much money you earn, compared to how much you spend.

Try to save a little each month (even if it’s only a little); plan so that you have enough money for when you need to shop for the month’s food or even buy some new clothes. Don’t spend too much on luxury items that you don’t need if money is tight.

**The Bank**

The bank keeps money safely for you. If you save money (or invest), you earn interest and your money “grows”. The bank charges to cover the cost of operating a bank account.

Depending on what you earn, ask your bank which type of account would be the best for you to open.

**A Savings Account**

How do you open a savings account? Go to the nearest branch, with some money to deposit. Proof of income is required as well as your ID book. Complete the forms and then ask for either an ATM card or savings book (most savings accounts today come with ATM cards).

**A Cheque Account**

To open a cheque account, you should establish what the bank requirements are where you want to open an account. Again, you should take your ID book with you. If you already have a savings account it is easier, because the bank already has a record of your financial history.

It is also easier to get a credit card once you have a cheque account.
Tax

It is important to understand the basics of income tax. Tax has to be paid so that the government has sufficient funds to provide services for the country as a whole, such as maintaining roads, public buildings, schools, hospitals and health services, electricity, water, food subsidies, emergency relief, pensions and defence.

PAYE

PAYE stands for Pay as You Earn and it is the tax deduction that is made from your weekly or monthly pay so that large amounts are not deducted at the end of the financial year.

SITE

SITE is that portion of PAYE that can be accurately calculated during the year and which is not refundable.

Income Tax

Income tax is paid to the government and is based on what you earn. The IRP2 Form shows these details and your employer can then determine how much your tax should be. At the end of the tax year, an IRP5 form is given to you which outlines what you earned for the year and what deductions were made and how much tax was paid. This is used to fill in your annual tax form.

Income Tax Returns are forms that are sent to all taxpayers at the end of the tax year (end of February each year) and have to be filled in within 60 days. It is used to capture what you have earned in that year, how much tax you have paid as PAYE. SARS then use this to calculate how much tax you should have paid. If you have paid too little tax, then you have to pay in. If you have over-paid tax you will get a refund.

Banking terminology

- **Chequebook** - this is a note to the bank asking them to pay money from your account to someone else. It makes it easier to pay money to someone, so that you don't have to carry money around with you. However, cheques can be easily abused and they are rapidly being replaced by Internet banking.
• **Writing Cheques** - The *payee* is the person you make the cheque out to while the *drawer* is the person who signs the cheque and from whose account the money is transferred. When you *cross a cheque* the payee is obliged to pay the cheque into his/her account - which is much safer.

*Not negotiable* means that you cannot get cash over the counter. However, you can give your cheque to another person by *endorsing it* (signing it and adding your name and your ID number) on the back and they can then deposit it into their bank account. “*Not transferable*” is a cheque that must go into a stated bank account and cannot be given to another person.

Remember that today you cannot sign any alterations to a cheque. You must *cancel* the cheque and issue a new one with no alterations on it.

• **Special savings schemes** (Call, notice and fixed deposits) - this is used when you have a certain amount of money that you can keep in the bank for a given amount of time. The length of time and amount involved determines the interest you can earn.

• **Call Account** - is used when you have your money available should you need to use it. There are often restrictions such as the number of withdrawals or minimum amount that has to be in the account at any one time.

• **Notice deposit** - this type of account earns higher interest than the call account but you have to give notice to the bank of your intention to draw the money before you can withdraw it.

• **Fixed deposit** - gives the highest rate of interest but that is because you can make no withdrawals for a fixed and agreed period of time, such as 6 months or a year.

• **Overdraft** - is what happens when you borrow more than the money in your account. You pay interest on this and an overdraft must be pre-arranged with your bank manager. Often the repayment period and method must also be agreed.

• **Home loan** - This money is lent to you so that you can buy a house, or build one. It is called a *Bond* and defaulting on payments may result in repossession of your property.

• **Credit Card** - Credit is made available to you based on your income. Higher interest is normally charged and fixed
minimum amounts of money need to be repaid on a monthly basis to retain the credit card service.

- **Garage card** - This is linked to your credit card sometimes and is used for paying for petrol or motor-related expenses.

- **How do banks make money?** - They trade their shares on the stock exchange like any other company - and also earn profits through the difference between the average interest rate that depositors get and the average interest rate that is charged to borrowers. Commissions on services or banking charges are also charged.

- **Savings Card** - This is a card that can be used at ATM's to deposit money; or draw money from savings accounts.

- **Stop Order** - Your bank debits your account to pay a *beneficiary*.

- **Debit Order** - The beneficiary authorises his bank to debit your account, i.e. withdraw money from your account to the amount agreed on.
9 Furthering your education

There are many universities and colleges where you can go to further your studies. They are listed below.

If you are working and get on-the-job training you will most probably hear about courses being accredited to one of the SETA’s; or the NQF and SAQA.

Do you know what accreditation means, and the importance of it? What does “SETA”s mean?

Go to www.saqa.org.za to find out more on SETA’s as well as their contact details.

Contact details of South African universities are listed below.

**North West University**
Private Bag X6001, **POTCHEFSTROOM** 2520
Tel: (+27 18) 299-2601
Fax: (+27 18) 299-2603
E-mail: enquiries@puk.ac.za
Internet: [www.nwu.ac.za](http://www.nwu.ac.za)

**Rand Afrikaans University (RAU)**
Tel: (011) 489-2911
Fax: (011) 489-2191
E-mail: myfuture@rau.ac.za

**Rhodes University**
The Registrar
Rhodes University, P. O. Box 94, Grahamstown 6140
Tel: (046) 603 8111
Fax: (046) 622 5049
e-mail: registrar@ru.ac.za

**Stellenbosch University**
Private Bag X1, Matieland 7602
Tel: +27 21 808-9111
University of the Western Cape (UWC)
University of the Western Cape, Private Bag X17, Bellville 7535
Tel : (021) 959-2911

University of Cape Town (UCT)
University of Cape Town, Private Bag, Rondebosch 7701
Tel : +27 21 650 2128
Fax : +27 21 650 3736

University of Fort Hare
Private Bag X1314, Alice 5700, Eastern Cape
Tel : +27 (0) 860 103 626
Fax : +27 (0) 40 653 1554
e-mail : dmc@ufh.ac.za

University of Kwa-Zulu-Natal (Natal University)
The Registrar
University of Kwa-Zulu-Natal, Durban 4041
Tel : +27-31-260 1111
Fax : +27-31-260 2214

University of Port Elizabeth (UPE)
Tel : 041 5042313
Fax : 041 5042246
e-mail : registrar@upe.ac.za

Pretoria University (TUKS)
University of Pretoria, Pretoria 0002
Tel : +27 12 420-4111
Fax : +27 12 362-5168
e-mail : csc@up.ac.za

UNISA
PO Box 392, UNISA 0003
General : +27 12 429-3111
Call centre: +27 12 429-4111

University of the North
Development and Public Affairs Office, Private Bag X1106,
Sovenga, Limpopo 0727
Phone : (0152) 268 - 2121
Fax : (0152) 267 - 0485
url : http://www.unorth.ac.za/
University of the Orange Free State (UOFS)
P.O. Box 339, Bloemfontein    9300
Tel       : +27(0)51-4019111

University of the Transkei
Registrar Academic, University of Transkei, Private Bag X1,
Unitra, UMTATA    5117
Tel       : (047) 502 2111
Fax       : (047) 5326820
e-mail    : postmaster@getafix.utr.ac.za
url       : http://www.utr.ac.za

University of Venda
Postal Address: Private Bag X5050, Thohoyandou    0950
Tel       : +27 (0) 15 962 8000
Fax       : +27 (0) 962 4749/3
E-mail    : prd@univen.ac.za

University of Zululand
n/a

University of the Witwatersrand (WITS)
Private Bag 4, WITS    2050
Tel       : +27 (0) 11 717 1030/1/2/3/4/5/6/7/8
email     : admissions@senc.wits.ac.za

Potchefstroom University
http://www.puk.ac.za/oorsig/index.html

Contact details of South African Technikon’s / Universities of Technology (as of March 2004):

Tshwane University of Technology
Location         Pretoria
Address          Private Bag X680, Pretoria    0001
Telephone        (012) 318-5911
Fax              (012) 318-5114
Website          http://www.tut.ac.za

Interactive training for Employment
Technikon Witwatersrand
Location Johannesburg
Address PO Box 17011, Doornfontein 2028
Telephone (011) 406-2911
Fax (011) 402-0475
Website http://www.twr.ac.za/

Technikon Southern Africa
Location Florida - Johannesburg
Address Private Bag X6, Florida 1710
Telephone (011) 471-2000
Fax (011) 471-2134
Website http://www.tsa.ac.za/

Vaal University of Technology
Location Vanderbijlpark
Address Private Bag X021, Vanderbijlpark 1900
Telephone (016) 950-9000
Fax (016) 950-1203
Website http://www.vut.ac.za/

Technikon Free State
Location Bloemfontein
Address Private Bag X20539, Bloemfontein 9300
Telephone (051) 507-3911
Fax (051) 507-3199
Website http://www.tofs.ac.za/

Durban Institute of Technology
Location Kwazulu- Natal
Address P O Box 1334, Durban 4001
Telephone (031) 308-5111
Fax (031) 308-5194
Website http://www.dit.ac.za/

Mangosuthu Technikon
Location Durban
Address PO Box 12363, Jacobs 4026
Telephone (031) 907-7111
Fax (031)907 2892
Website http://www.mantec.ac.za
Eastern Cape Technikon
Location: Butterworth
Address: Private Bag X 3182, Butterworth 4960
Telephone: (0474) 401-2000
Fax: (047) 492-0735
Website: http://www.tktech.ac.za

Border Technikon
Location: East London
Address: PO Box 1421, East London 5200
Telephone: (043) 708-5200
Fax: (043) 708-5331
Website: http://www.bortech.ac.za

Peninsula Technikon
Location: Bellville - Cape Town
Address: PO Box 1906, Belville 7535
Telephone: (021) 959-6911
Fax: (021) 951-5617
Website: http://www.pentech.ac.za/

Cape Technikon
Location: Cape Town
Address: PO Box 652, Cape Town 8000
Telephone: (021) 460-3911
Fax: (021) 460-3695
Website: http://www.ctech.ac.za
10 Job hunting

10.1 Where to find information

The most challenging part about finding a job is often finding the relevant information:

- Where do I find information about qualifications, training, companies, experts, people who can help?

You could go to universities, colleges, technikons, distance education institutions, SAQA, and career guidance centres. You could also search publications and magazines, the internet and newspapers. Most Sunday newspapers have special sections on job openings and about careers, while some newspapers have regular publications about jobs and career-related issues.

The internet has websites dedicated to finding a job and developing your career.

- What tools do you use?: Internet, magazines, newspaper, career guidance centres, or the facilitator in your nearest community centre.

- What path should I follow to find information? Many people suggest the following:
  - First ask who?
  - Then where?
  - Find contact details
  - And finally find the information that you need.

10.2 Matching jobs to yourself / aptitude tests

Once you know where to look and how to find information, the next step is to identify your strong and weak points; as well as what type of job you would like to do. This process also involves matching your skills, competencies and qualifications to specific types of jobs.

There are many aptitude tests and other tests you can do to establish what your strength and weaknesses are when it comes to a career.
These are just an indication and should never be taken as the absolute truth because you might be in a wrong mood when doing the tests. Things can change over time, and we can change our outlook - and sometimes our beliefs; which can have an impact on how we work at any one time.

Based on these questions, you can get a feel for the kind of job that would be stimulating for you; where you could contribute most; and hence be most motivated. This could ultimately lead to earning a better salary and, importantly, also being happy in what you do.

You should try to find if you, for example:

- Are good at typing letters
- Are good with financial figures and calculations - I.e. numeric
- Prefer a job where you are rather told what to do and have a clear task list each day or
- Are creative and entrepreneurial in your approach.

Understanding your aptitude is important. There is nothing worse, if you are creative to get a job where you are told what to do.

If you do not have access to any aptitude tests or people who can help you with this, you could ask yourself the following questions:

- **What am I good at?** - List the things you are good at - like working with financial figures, working with your hands etc. Look at the strengths you had at school and those in your everyday life.
- **What do I enjoy doing?** Again, make a list of these if possible, which should include things like painting, working on a computer, working with people, working alone, etc.
- **What are my qualifications?** - You need to be able to apply these in your job.
- **Where do I see myself** in 2, 5, 10 or 30 years' time?
- Am I prepared to work hard at this and what effort will I put in?
- Do I know where and how I can get information on something?
• How competitive am I?
• Can I handle stress and if so, how do I handle it?
• How well do I communicate with others?
• How do others see and experience me as a person?
• What do I do to relax?
• How easily do I get emotional, upset, angry etc.?
• What motivates me?
• How important is money to me?
• How much value do I attach to personal security?
• Am I a creative or innovative person?
• How easily do I understand new concepts?
• Am I mathematically oriented or language oriented?
• Do I remember facts, people's faces etc. easily?
• and so on...

How to do market research?
In finding out more about a job, starting your own business and other related matters, you should follow a structured approach to make sure that you get what you want. You need to:

• Identify the topic
• Identify criteria/parameters for your research
• **Who** - identify who will do it
• **When** - set a time to do it in
• **Where** - identify the media you will explore
• **How** - identify the tools for doing the research, e.g. questionnaires, interviews etc.

10.3 Identifying opportunities

To identify opportunities for job openings for yourself, you also have to sometimes look at the “values” of the company that you want to work for. For example, if you like to work a fixed number of hours each day, make sure that the company does not expect its people to work longer hours (you may find this kind of information will in the job description).
You should look for a company that matches at least half of your abilities and qualifications, preferably more.

Once you have found possible opportunities, you then compare your values to those of the company and if they match, then continue to the next step. This is to take the potential jobs and list them according to what is most important to you. For example, the job description, salary, and distance to travel, or flexibility in working conditions.

The last step, if the information is not available, is to contact potential employers that you have identified and find out what information they require - and what process they follow to recruit new people. Then you know what to expect.
11 CV’s and interviews

11.1 Putting together your CV

Have a checklist ready for what needs to be part of a CV - which should at least include:

- Full name
- Address and contact details
- Previous work experience
- School qualifications (matriculated, where, which year and subjects completed)
- Further studies (which courses, university degree or college/technikon diploma and the year and results)
- Hobbies and interests / sport
- Voluntary or work experience and skills and competencies obtained.

Six example CV’s are included at the end of this Section.

The CV is what introduces you to the company - and person doing the interviews when he/she is looking for a new employee. Therefore it is important the CV is a good reflection. If the CV looks good, your chances of getting an interview are better.

You send your CV to the company where you apply for a job. They use the CV to form a preliminary impression of you as a potential employee.

Your CV should provide all the information as stated above, but can also optionally include some background information on you as a person and why you feel you are suited to the position... though this is normally addressed in a covering letter. The company looks at the CV’s it has received and selects those people it would like to invite to attend an interview.
Formats
Typically a CV should include the following:

- CV’s are always typed
- Don’t use a fancy font
- Make your CV fit onto one page if you can, never more than two pages
- Start with your name, put it in bold type. It is your name you want them to remember
- Don’t bother with gimmicks such as borders or putting things if fancy boxes. You don’t have room and it can look messy
- You do not have to explain that you are deaf (for example) on your CV
- A good CV is more than a list. It tells people what you are like. It should reflect your personality. A CV must be positive, if the information is not positive, do not put it in.

Some additional headings you can put on your CV:

<table>
<thead>
<tr>
<th>Skills</th>
<th>Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualifications</td>
<td>Key skills</td>
</tr>
<tr>
<td>Experience</td>
<td>Education</td>
</tr>
<tr>
<td>Interests</td>
<td>Career</td>
</tr>
<tr>
<td>Achievements</td>
<td>Personal</td>
</tr>
<tr>
<td>Strengths</td>
<td></td>
</tr>
</tbody>
</table>

Types of CV
There are two main types of CV:

- Chronological and
- Functional/skills-based.

The one that you choose depends on your background, and your judgment of what the employer that you’re targeting will find acceptable. Combining the two formats can also work well. A chronological CV is more interesting if you want to highlight the skills that you have gained. Many employers are suspicious that other forms of CV are being used to hide gaps. Reassure them by placing a brief work and education history at the end.
A **chronological CV** is the one most people are familiar with. This historical account of work experience and qualifications is easy to write, a familiar format for employers and a good way to show career development.

However, because it places emphasis on career progression it doesn’t work as well if you have had career breaks or a patchy employment history.

A **functional CV** highlights your skills and aptitudes. This gives you the chance to describe yourself through what you can do, rather than jobs you have had. It’s an effective way of showing what you have to offer if you’re going for your first job, returning to work after a break or have had lots of different jobs.

<table>
<thead>
<tr>
<th>Some useful url's</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.alton-online.co.uk/cv_advice.htm">http://www.alton-online.co.uk/cv_advice.htm</a></td>
</tr>
<tr>
<td><a href="http://www.jobseekersadvice.com/cv_advice.htm">http://www.jobseekersadvice.com/cv_advice.htm</a></td>
</tr>
<tr>
<td><a href="http://www.bluelynx.nl/cvadvice.html">http://www.bluelynx.nl/cvadvice.html</a></td>
</tr>
<tr>
<td><a href="http://www.aperfectcv.co.uk/">http://www.aperfectcv.co.uk/</a></td>
</tr>
<tr>
<td><a href="http://www.southafrica.co.za/busfin/employment.html">http://www.southafrica.co.za/busfin/employment.html</a></td>
</tr>
<tr>
<td><a href="http://www.pcvoyager.com/dir/employmentsa.html">http://www.pcvoyager.com/dir/employmentsa.html</a></td>
</tr>
<tr>
<td><a href="http://www.geocities.com/gbtrends/Job_cv_employment.htm">http://www.geocities.com/gbtrends/Job_cv_employment.htm</a></td>
</tr>
<tr>
<td><a href="http://www.ananzi.co.za/catalog/Employment/JobSites/">http://www.ananzi.co.za/catalog/Employment/JobSites/</a></td>
</tr>
</tbody>
</table>

**Presentation of your CV**

The way you present your CV is also very important. A handwritten CV indicates that you are either too lazy or have no access to (or don’t know how to use) a computer. A neatly typed CV with ordered sections and using text formatted in a word processing package like Microsoft Word or Corel WordPerfect always create a good impression, which is what you (and your prospective employer) are after.

If, in addition, you can bind your CV in a protective plastic cover or staple it and put it in an A4 size envelope, not folding it, this adds to a good impression.
Regular CV updates
Always try to keep your CV up to date. It is a good idea to add to your CV at least once every six months, especially if you achieve a lot work-wise (or even on a personal basis) in such a period of time. This has the added benefit of helping you to focus where you want your career to grow to.

References/ referees
When submitting your CV to a potential employer, it is a good idea to put in the names of references they can contact for first-hand feedback about you. Hearing someone else’s opinion about how your work and what kind of person you are (such as are you a hard and loyal worker? What is your attitude towards life?) helps a lot in preparing them for your interview.

This of course also means that you have to always be conscious of the impact any bad behaviour today can have on future employment opportunities. It of course also goes without saying that the people you put up as references should have nice things to say about you. Don’t forget that if you have considered having them tell lies about how good you work etc. the truth will come out in your new job. This would have a very negative effect on your career as well as your image with future and current employers.

South Africa’s Labour Law requires any referee that you nominate to tell the truth and not to skip over relevant aspects.

Matric and other Certificates
It is also is a good idea to attach certified copies of your Matric certificate; along with any other diplomas, certificates and testimonials.

“Certified” means to take the originals and copies to the police station or a “Commissioner of Oaths” where they will put a stamp on the copies and sign saying that the copy is a true copy of the original.

Testimonials from people who have something good to say about you are also a good idea. This typically takes the form of a typed letter wherein the person, who could also be a reference, highlights your stronger points.
11.2 The Job Interview

When going for an interview, you will be asked questions such as:

- Why do you think you are the right person for this job?
- You have no experience yet, so what value do you think you can add that someone with experience can't?
- What about your hobbies and sport interests?
- What do you know about the business?
- Do you have transport to get to work?
- How do you feel about working overtime?
- Would you say you are a team player and able to get along with anyone else, or would you prefer to work with only one or two people?

Be prepared beforehand to answer questions such as this.

List of points to remember for your interview

- **You should look professional** as this creates a good impression and assures that people you interact with will take you seriously. It will also help them to trust you.

- **Have a CV** - Your CV is important background information that someone would need to form an opinion of your abilities for the job you are interested in. It also provides them with good background knowledge of who you are.

- **Get background information on the company** - It helps you to get insight into your future working environment. It prepares you for your job and helps you with expectations you may have for your job and working environment.

- **Know what job you're applying for** - Knowing what job you've applied for is obviously important, otherwise how can you be prepared for it and increase your chances of success in getting the position?

- **Understand** where, with who and what date and time the interview takes place. When you go for an interview, knowing the date, time, location and the person you'll be meeting are all important details. This not only helps you to find the company if you get lost but also to prepare and make sure you are there on time.
12 CV’s and covering letters

This section contains sample CV’s and covering letters.

CV Example 1:

Thabo Sisulu
24 Mansfield Drive, Melville,
Johannesburg
Tel: (011) 123 4567 / 084 123 4567
thabosisulu@email.com

PROFILE:
Self-motivated and hard working Personnel Officer with experience in all aspects of personnel work. Able to use own initiative and work as part of a team. Proven leadership skills, including managing / motivating others to achieve company objectives. An effective communicator at all levels within an organisation. Good problem solving and analytical skills. Computer literate.

HUMAN RESOURCE PLANNING:
Assessing the company's future staffing requirements over the short, medium and long-term.
Liaising with the company's senior management to determine their human resources requirements.
Producing a comprehensive human resources plan for the company's expansion over the next five years.

REWARD MANAGEMENT:
Administering the company's pay policy.
Devising new and effective company incentive schemes - these have reduced absenteeism and increased production levels by 10%.
Managing the company's share ownership scheme.
Liaising with the external fleet manager.

RECRUITMENT & SELECTION:
Preparing and placing advertisements in local and national press.
Interviewing candidates and checking references.
Producing job descriptions and contracts of employment.
Liaising across the company over candidate selection/rejection.
Co-ordinating with local job centres, schools and colleges.
TRAINING & DEVELOPMENT:
Developing effective training programmes in conjunction with other departments in the company.
Organising / running induction training sessions for new employees.
Appointing and monitoring external training organisations for specialist training courses.

EMPLOYEE SERVICES:
Managing and maintaining staff personnel records.
Counselling staff as and when required.
Activities Officer of the staff social club.
Producing Health & Safety reports.

EXPERIENCE:
1989 - date JACKSON ENGINEERING
1995 - date Personnel Officer
1989 - 1995 Personal Assistant to the Director
1983 - 1989 ATLAS FOODS LTD
1987 - 1989 Secretary to Manager
1983 - 1987 Typist

TRAINING:
Presentation Skills, Negotiation Skills, Team Leadership, Training the Trainer Course, Administration in a Personnel Department.

QUALIFICATIONS:
IPM Certificate in Personnel Practice.

6 GCE O Levels: English Language [C], Mathematics [C], French [C], Biology [C], Geography [C], History [C].

PERSONAL DETAILS:
Date of Birth: 24th February 1964
Marital Status: Single
Driving Licence: Code 8

INTERESTS:
Keeping fit, tennis, squash, gym and amateur dramatics.
CV Example 2: Application for the post of Nature Reserve Warden

THEMBA MASONDO

5 Dube Road, Alexandra, Johannesburg 2000

e-mail - tmasondo@email.com
Telephone - day (011) 123 4567
Telephone - evening (011) 999 8790
Date of birth 14.2.60
Nationality South African

Education
1993 -1999 B.Sc.(Hons) Natural Sciences with Biology 2.1
University of the Witwatersrand
Separate courses included Animal physiology, Ecology and Evolution. A major project focused on the interaction between humans and the natural environment and the kinds of conflict which can occur.

Skills acquired while studying for a distance learning degree:
• excellent time management required for organising full time work and study
• reading large amounts of text quickly and accurately
• understanding scientific data
• writing concisely
• meeting deadlines when working under pressure
• a willingness to learn

1972 - 1977 President School, Bryanston
2 A-Grades (Science, Biology)
4 B-Grades

Work Experience
1998 - present Sandylands Wetlands Trust - Visitor Centre
Visitor Centre Manager
• responsible for supervision of 2 paid staff
• working as part of a team, prioritising tasks
• in charge of recruitment and supervision of voluntary helpers
• being able to communicate effectively and deal with differing points of view
• ordering of sales goods and stocktaking requiring forward planning, organisational, IT and numeracy skills
• reception of visitors, a major part of the job is imparting information appropriately to people with different levels of knowledge
• organisation of activities
• need for imagination and creativity

1986 - 1998  The Sports Shop, Krugersdorp
             Assistant Manager
             • supervision of 10 staff
             • purchasing and budgeting
             • cash handling

1980 - 1986  The King’s Head, Krugersdorp
             Barman
             • serving customers, handling cash, supervising 3 staff

1977 - 1980  The Sports Shop, Bryanston
             Retail assistant
             • selling sportswear, advising customers on most suitable sports equipment

Voluntary Work
1980 - present Oswald Nature Society's Local Members Group
Member and currently chairman of group. Responsible for organisation of working parties for conservation work on reserves.
Skills: motivation of volunteers, organisation of groups, ensuring satisfactory completion of project work.

1990 - 1993 Alexandra Nature Society
Voluntary helper at Alexandra reserve helping to protect nesting ospreys (2 weeks per year). Tasks involved informing visitors about ospreys and the conservation work on the reserve and overnight watches to protect the birds.
Personal qualities needed: friendly approach, reliability and honesty.

1980 - 1990 Alexandra Nature Society
Responsible for organising and leading outings and activities for young people interested in watching birds.
Achievements and interests
When in charge of fund-raising for the Nature Society's Local Members’ Group, helped to raise R15,000 with a sponsored birdwatch.
Keen and knowledgeable birdwatcher in Southern Africa.
Wide sporting interests including athletics (formerly 100 and 200 metres provincial champion) and squash.
Other interests include travel, hill walking, photography and DIY project.

Additional skills
IT skills including extensive knowledge of Windows 98 and Excel, with experience of database design
Driving licence (Code 8)

Referees
Dr. W. Paterson
University of the Witwatersrand
4 Jan Smuts Ave.
Johannesburg
Tel: 011-000 5586
Mrs. P. Overfield,
Chairperson,
Sandylands Wetlands Trust
Krugersdorp,
2000
CV Example 3:  
ELIZABETH DUBE  
5 Windows Glen  
Soweto  
Tel: 011 555 0191  
Nationality: South African  
Date of Birth: 12.07.65

CAREER AIM
Recent Psychology graduate, with extensive experience of working with teenagers, would like a challenging and fulfilling post helping disadvantaged young people.

EDUCATION
1995 - 2000  
UNISA - B.Sc.(Hons) Psychology First Class  
Courses included Child Development (Distinction), Working with Young People and Social Psychology (Distinction)

1977 - 1982  
Mandela High School, Soweto  
1982  
7 B Grades and 1 A Grade (English)

WORK EXPERIENCE
1991 - present  
The Hani Children’s Home, Diepsloot  
Care Assistant  
Helping teenagers with additional needs in a residential children’s home.

1985 - ‘91  
Career break bringing up two children

1983 - 1985  
The Baragwanath Hospital, Johannesburg  
Nursing Auxiliary  
Helping nurses to feed, wash and dress patients, making beds, serving meals

VOLUNTARY WORK
1992 - 1994  
The Everett Project  
A volunteer organising sporting events for young people  
This was an annual event, lasting a week, run at a holiday camp. Most of the young people there were either in care or were at risk of offending.

KEY SKILLS and PERSONAL QUALITIES
A willingness to learn
In order to achieve my degree, studying part-time, I had to work without a break from February to October, for six years. I feel that this demonstrates my willingness to learn over a long period of time.
Effective communication skills
In my present job as a care assistant I am not only responsible for helping with the children’s physical needs, but I aim to help them come to terms with specific difficulties which they may have. I need good verbal communication skills and a sensitive approach to do this. I also play with the children and endeavour to ensure these sessions are not only fun, but include some learning development.

Good time management
I had to have good time management skills in order to survive while studying for my degree, working full-time and running a home which included two school-age children.

Forward planning and ability to prioritise
My UNISA assignments, which were part of my continuous assessment for my degree, had rigorous cut-off dates. This meant that I had to plan ahead, so that I was able to give the extra time often required in order to hand in the assignment on time. This involved being able to prioritise the other tasks which needed to be done. In addition I was required to attend week-long residential schools on three occasions, so I had to make arrangements for my family’s needs over these weeks.

Excellent organisational skills
I am responsible for organising outings and activities at the residential home. This involves negotiation with the children about what they would like to do, liaising with staff, planning the outing, organising volunteers to help, ordering the minibus and leading the group.

Enthusiastic, energetic, adaptable, patient and friendly
I relate well to young people and find that they accept me. I enjoy helping them to fulfil their not always recognised potential. My enthusiasm and energy is useful in motivating them to achieve what for them sometimes looks impossible.

OTHER SKILLS and EXPERIENCE
Computer literate, knowledge of Windows 98 and databases
Clean driving licence and minibus certificate
Extensive knowledge and interest in sport

Referees on request
CV Example 4:

Kagiso Molefe

12 Southern Road Extension, Tembisa
Johannesburg
Tel: (011) 123 4567

kmolefe@email.com

PROFILE:
A Mathematics student who is keen to find a position as a Trainee Accountant. Reliable, trustworthy, numerate and meticulous. Worked for a firm of chartered accountants last Summer and gained a good understanding of what is required of an accountant. Able to work on own initiative or as part of a team and can deal with administrative duties competently.

EDUCATION:
2000 - 2003
BSc. (Hons) 2.2 (expected) in Mathematics at University of Pretoria. Subjects studied: Business Studies, Computer Studies, Calculus, Geometry & Topology and Catastrophe Theory.

1993 - 2000
Pretoria High School.
3 A Grades: Mathematics, Economics, Chemistry.
3 B Grades: English Language, Physics, Geography

EXPERIENCE:

Summer 2002 - STEVENS & STEVENS
Administrative Assistant

A vacation job working for a large firm of accountants. Responsibilities and achievements:

- Assisted the Senior Partner who was conducting audits on major companies in the area.
- Handled incoming telephone calls to the Senior Partner from other companies and members of the public.
- Organised and maintained the Senior Partner’s filing system.
- Typed reports on an IBM Compatible PC using the WordPerfect word-processor.
• Devised a new filing system to maintain the files held by the department.
• Solved users PC problems including sorting out spreadsheets, explaining how to use complex features in word-processing packages.

Summer 2001 - MELVILLE COMMUNITY CENTRE
Co-ordinator
A vacation job at a community centre for the elderly. Responsibilities and achievements:

Organised a local advertising drive that increased the number of elderly people coming to the centre by 20%.
Organised games for people attending in the afternoons.
Escorted some of the elderly people to and from the centre.

COMPUTER SKILLS:
IBM Compatible PCs running Microsoft Windows, MS-DOS, WordPerfect, Word for Windows, Lotus 1-2-3 and Microsoft Visual C.

PERSONAL DETAILS:
Date of Birth: 24th May 1982
Marital Status: Single
Driving Licence: Full, clean

INTERESTS:
Interests at University of Pretoria included organising a charity quiz for RAG, which raised R 50 000. Badminton, cinema and theatre.

REFEREES:
Professor William Jackson, Department of Mathematics, University of Pretoria, Pretoria, 0001.

Mr Jack Lord, Personnel Manager, Stevens & Stevens, 124 High Street, Melville, Johannesburg, 2000.
CV Example 5:

Tatolo Masweu
42 East Street, Midrand
Johannesburg
Tel: (011) 123 4567  tmasweu@email.com

PROFILE:
A Senior Quality Assurance Technician with a wide range of experience in the food industry. Able to work on my own or as part of a team. Proven leadership skills involving managing, developing and motivating teams to achieve their objectives. First-class analytical, design and problem solving skills, dedicated to maintaining high standards.

MAJOR ACHIEVEMENTS:
- Saved the company R150,000 a year by implementing a new quality assurance system.
- Increased the acceptance level of finished goods from 96% to 99%.
- Achieved BS5750 for the production line by rewriting the company's quality assurance procedures.
- Solved major quality assurance problems which temporarily halted production.

CAREER HISTORY:
1989 - date  GEPO FOODS LIMITED
1992 - date  Senior Quality Assurance Technician
Gepo Foods manufacture biscuits under the brand name Manu at their Manchester factory. Responsibilities and achievements:

- Managed all quality assurance in Gepo Foods' Alberton factory and reported directly to the Factory Manager.
- Managed a team of 6 people; assigning them tasks, and motivating them to meet deadlines.
- Demonstrated QA procedures to customers on factory visits.
- Performed Quality Audits at the factory.

1989- 1992  Quality Assurance Technician
- Created computer applications with the help of a programmer to monitor the factory environment.
- Analysed the quality assurance system and made recommendations for improvements. These were incorporated into the current quality assurance system.
Examined equipment in the factory to check that it met the company standards.
Investigated new equipment installed in the factory to make sure that it would comply with quality assurance procedures.

1985-1989 SURRET FOOD PRODUCTS LIMITED
1986-1989 Research Technician
Surret Food Products manufacture a wide range of grocery products. Responsibilities:
- Formulated new product lines and conducted the relevant laboratory experiments.
- Performed a study of the shelf life of various canned foods.
- Tested new products to check that they met EEC guidelines for bacteriological content.
- Conducted a survey on packaging.

1985-1986 Plant Operator
Worked on the production line at the canning factory. Responsibilities:
- Operated the canning machinery producing tinned fruit.
- Solved and fixed any production line problems with the help of the service engineer.

TRAINING:

QUALIFICATIONS:
BSc (Hons) 2:2 in Biochemistry at the University of Witwatersrand.
Maths [C], Biology [B], Chemistry [C]

PERSONAL DETAILS:
Date of Birth: 24th February 1964.
Marital Status: Single.
Driving Licence: Full, clean.

INTERESTS:
Football, Grand Prix racing, physical fitness - gym.
31st January 2004

Dr. E. Smith, Reserves Manager,
The Waverley Nature Society,
Roodeplaat,
Pretoria  0001

Dear Doctor Smith,

Nature Reserve Warden
I am writing to enquire whether there are any vacancies for Nature Reserve Wardens in the Waverley Nature Society. I have recently graduated with a BSc (Hons) Natural Sciences with Biology.

As you will see from my enclosed CV I have been active in the field of conservation for many years now, working for the Society, first as a youth leader, and for the past twenty years in the local members’ group, of which I am currently Chairperson. I have extensive knowledge of the Society and have close contact with local staff.

My present job, as Visitor Centre Manager for the Sandylands Wetlands Trust, gives me up-to-date knowledge of conservation issues and contact with people who are interested in natural history. I have acquired skills in organisation, IT, budgeting, supervision of staff and site management, all of which are relevant to the above post.

My lifelong interest in the natural world made me decide on a complete career change and with this in mind I began studying for an appropriate degree with the University of Witwatersrand. Studying part-time, while working full-time, required enthusiasm, energy and motivation over six years, and I feel that this provides sufficient evidence of my commitment to a post involving conservation.

I would be able to take up a post from April, but if there are no vacancies at present I would be very happy to be considered for any short term contracts as a summer warden on any of your reserves.

I look forward to hearing from you.

Yours sincerely,

THEMBA MASONDO
Covering letter example 2:

Windows Glen
Soweto, 0001

31st January 2004

Mrs. M. Cairns, Project Manager
Youth Growing Up Trust,
56 High Road, Brixton 2001

Dear Mrs. Cairns,

Development Officer, Job Reference No. 5469
I am enclosing my CV in response to your advertisement for the above post which appeared in the SA News on 15th January 2001.

As you will see I have recently graduated from UNISA with an Honours degree in Psychology. I have been studying part-time for the last six years, as well as working full-time as a Care Assistant and running a home. I feel that this demonstrates my ability to maintain dedication, motivation and enthusiasm for a project over a long period of time. In addition, balancing full-time work with study has honed my time-management and organisational skills. I consider that the study of Psychology is particularly appropriate for the above post, particularly the course on Child Development which explored the personal, social and emotional development of children. In addition, my work on the course Working with Young People taught me a good deal about dealing with difficult behaviour in young people aged between twelve and twenty-five, the age group of Youth Growing Up Trust participants.

My current job as a Care Assistant, working in a residential home with young people with additional needs, has given me an insight into the value of work with teenagers, and has underlined my determination to work with this age group. Further, my voluntary work with the Everett Project, when I organised sporting competitions during the residential week at a holiday camp for young offenders has reassured me that I am able to make a significant contribution in this area.

From reading your Annual Report I am assured that your work with youngsters who have been identified as being at risk of offending is highly regarded in the community. I would find the post of Development Officer for Youth Growing Up Trust very worthwhile and challenging, and I hope that you will look favourably at my application. I look forward to hearing from you.

Yours sincerely,

Mrs Elizabeth Dube
13 Work Regulations

Department of Labour: Private Bag X117, Pretoria 0001; Laboria House, 215 Schoeman St, Pretoria. Tel: (012) 309 4000; Fax: (012) 320 2059.

The Basic Conditions of Employment Act (BCOE) defines a set of minimum standards that apply to the relationship between employer and employee. It defines matters such as working hours, holiday entitlement, sick leave, overtime, hours of work, transport, remuneration, termination of employment etc.

A copy of the BCOE can be found under the Additional Information Section in your Programme Menu. You can also visit the Department of Labour on the internet http://www.labour.gov.za/

The Labour Relations Act regulates the relationship between employers, trade unions and workers. It governs rights of employees and procedures during labour disputes in line with international standards.

A copy of the Labour Relations Act can be found under the Additional Information Section in your Programme Menu. You can also visit the Department of Labour on the internet http://www.labour.gov.za/

The Occupational Health and Safety (OHS) Act lays down the minimum steps necessary to ensure the safety of employees in the working environment and also indicates responsibility and procedures if harm comes to any employee.

You can find a copy of the OHS Act under the Additional Information Section in your Menu. You can also visit the Department of Labour on the internet http://www.labour.gov.za/
**Department of Trade and Industry:** House of Trade and Industry, Prinsloo Street, Pretoria; Private Bag X84 Pretoria
Tel: 0861 843 384; Fax: 0861 843 888;

The **Companies Act** determines how a company should conduct its business. It specifies procedures to be followed to ensure proper conducting of business in South Africa.

A copy of the Companies Act can be found under the Additional Information Section in your Programme Menu. You can also visit the Department of Trade and Industry (DTI) on the internet http://www.dti.gov.za/

The **South African Qualifications Authority (SAQA)** is responsible for administration of matters related to bodies responsible for establishing education and training standards or qualifications. This also involves overseeing the implementation of the National Qualifications Framework or NQF. The NQF is a set of principles and guidelines for qualifications in South Africa.

If you want to know more you can view the Skills Development Act under the Additional Information Section in your Menu. You can also visit SAQA on the internet to find out more about the Skills Development Act, SAQA and the NQF.
http://www.saqa.org.za/

Their contact details are: 659 Pienaar Street, Brooklyn,
Tel: 012-482 0800  Fax: 012-36 5813
14 How a business works?

14.1 Introduction

A good reason for starting a business is because you want to achieve a goal - and to have a positive impact on other people’s lives (which means that you have a product or service that people will want). If, however, your aim is only to make money, then there is more chance that your business will fail. You will probably need a higher goal as well to keep you going.

Obviously, you will need money to make it happen - and it is OK to make a profit. You can also use your profits to cover you during the hard times. Hard times come to most businesses at one time or another!

This is why your idea / business concept should be well-thought through and tested before you begin, because a good idea will always bring money, provided you manage it properly.

Remember, people will buy something because:

- It is something they need
- The service is good
- The shop/ stall is attractive
- The price is good
- It is close to home
- The quality of the product AND service is good.

There are three basic ways to generate income through a business opportunity:

- Start with what we have. Ask questions like what do we have? How do we build on that? What resources do I have in myself? What can we do together?
- Make money from a product or service.
• Expanding your opportunities. This may include new ways to make money, diversifying your business into other areas or products, finding money to expand (from banks, NGO's, family/ friends/ personal savings).

Elements of a successful business include:

• **Choosing a product or service** - Something you know you are good at; or that you can achieve by combining resources with others. Many people identify opportunities, but lack the insight, initiative, perseverance and/or willingness to accept risks and therefore fail to “grab” the opportunity. As an entrepreneur, you need to check with yourself whether you have the right “aptitude” to start your own business.

• **Pricing your product** - You determine what price is acceptable to your market and compare that to your cost of producing it. If cost is greater than price, explore what you can do to turn this around.

• **Getting your product to the customer** - Do you need someone else to sell for you, e.g. a shop owner or sales representative? Can you share the costs by working with other producers? Can you sell directly to your customers or even go to their homes? What transportation costs are involved? Do you need to store your products before selling them - does this mean your products will lose value, e.g. fruit?

• **Promoting your product** - Display them attractively using colour or in the way you sort and stack them. Explain the benefits on a sign or poster.

People may buy from you because you are pleasant when selling to them - which may also lead them to tell others who may buy from you too - Make the customer feel good!

Keep the place where you sell from clean - nobody wants to buy from a dirty place. If others sell the same as you, what can you do differently that will convince customers to rather buy from you - for example, make samples available. Use specials or have free samples once a week? You could use music to attract attention. Your shop or stall should be situated where many people will see it and where it is be convenient for them. If you have a new product, you may want to find ways of demonstrating how it works.
Viewed differently, the parts of a business can be grouped as follows:

- **Marketing** - which involves doing research on the market you want to address with your product - and capturing what you do in an understandable package for potential clients. This might mean compiling brochures and pamphlets, printing business cards and other promotional material etc.
- **Sales** - exactly what the word means, namely selling your products to clients - and making sure they have proper after sales-support.
- **Production** involves the making of your product both by yourself and by other people if you need specialized parts to be manufactured elsewhere. This also includes any research you might have to do to improve production.
- **Finances** - ensuring all orders are paid for, that you balance your income and expenses, making bank payments and transfers, paying salaries, handling petty cash for coffee and milk and the like.
- **Administration** - the work of clerical, secretarial and management staff and other background activities of the company.
- **Human Resources/ Personnel** - handle all people-related issues, like leave, training and employment contracts.
- **Research and Development** addresses the need for new products, processes, systems and technologies that relate to products being sold. This often only becomes a separate section once the business has big enough - for example, with millions of Rands of products being sold during a year.

### 14.2 Market research

Market research involves asking the following questions:

- What is the extent of the *existing* demand for your product and service?
- Is your product or service an entirely new concept - or should demand be stimulated from scratch?
- What characteristics do the potential buyers (or consumers) of your product or service have?
• What is the potential market for the product or service - and what is the potential share of your new business in that market?

• What is the growth pattern of the market in the recent past - what is its future growth potential?

• What is the nature and extent of your existing (and potential) competition in the market - and what possibility does your business have for capturing and keeping a share of the market?

Other questions to ask include: What is the best location for the business? Is it near to raw materials, labour, the market, availability and cost of transport, availability and cost of water and power, availability and costs of a site and buildings, availability of capital, attitude, regulations, tariffs of local authorities, existing business environment, social environment, climate, central government policy - and as importantly, your personal preferences.

14.3 Planning

The planning process means:
• **Setting goals** - identify and set objectives based on your business mission and goals, as described in the business plan.

• **Develop plans** - put together alternative plans that can be followed to achieve the objectives that you have set.

• **Implement** - Run your business according to the plan you finally choose - to ensure a better success.

• **Review** and revise your goals and plans on a regular basis.

The importance of planning when you start your business cannot be over-emphasised. Planning forms the basis for much that will happen in your business - because it provides direction to your actions as an owner and manager.

Without planning, organizing becomes very difficult - as does leading your employees. Control measures would not be very effective as they wouldn’t be based on any standards - it would be hard to measure the performance of your business.
Planning also promotes cooperation and it forces your other managers to look at the future of the business. It also makes sure that the company keeps abreast of new developments in the market and technology; it promotes cohesion in the company and also promotes stability.

14.4 Funding / financing a business

Financing a business includes the money required to start the business, to keep it going and to help it expand. For an existing, formal business, funding normally refers to the money required to keep it going - or to expand the business. This kind of money can be obtained from the following sources but you will need to weigh up the advantages and disadvantages of each:

- The company uses its own money generated from sales and other income such as investments etc. The advantage of this approach is that the company has control over how this money is spent. It doesn't have to be paid back to anyone and no interest needs to be paid. Unfortunately, if the company has not accumulated much money in the bank then this is not possible. Savings can sometimes also be used for a company crisis or to pay for unplanned expenses.

- Apply to a bank for a loan. The downside to lending money from banks is that they often need “collateral”. The company would have to put up its assets or other collateral as security for such a loan. The Bank has the right to take these assets from you if you fail to pay back the money!

- Financing institutions - which usually don’t require collateral. Some also provide training in management and business skills and even have lower interest rates. However, they often only lend small amounts. They can also easily lead you into debt - if you don’t have sufficient money - which can stop you being able to pay them back.

- Private investors or venture capitalists (VC’s) - they can also lend you money, but VC’s will probably also want a major share of your company (sometimes more than 50 %). Once you allow this to happen they get a big say in how you work, make money and run the business.
14.5 Different sections in a business

A business can consist of several departments (in smaller businesses, one person might play more than one role or even do all of these functions):

- Marketing
- Sales
- Production/ Operations
- Finances
- Human Resources/ Personnel
- Administration/ Management.

Marketing
Marketing includes making decisions about:

- How to brand the product;
- How to package the product
- Adding new products to an existing range
- Price
- Distribution (how to get the product to the customer)
- Market coverage
- Advertising and
- Sales promotion.

When placing a product (a "market offering") there are four things to consider:

- The nature of the product
- The place where it will be offered for sale or distribution
- Marketing communication used to inform consumers about the product
- The price - which should reflect the product's value to consumers.

A market offering is normally designed to target a specific group of consumers, referred to as a "market segment". A market segment can typically be described by the nature of the consumer, geographical location and how the consumer will use the product.

By understanding market segments, a target market or even several target markets can be identified.
Marketing research is often done in a simple way. People often talk to a wide range of potential customers to see if they would:

- Buy your product
- At what price
- How long they would expect it to last
- The quality they expect.

Another way to do research is to use a formal survey. This is done by providing a definition of the problem; defining the reasons for the problem; compiling a questionnaire; testing it with a few individuals; choosing the ‘respondents’ for the questionnaire; training field workers (assistants) to conduct the survey; process and analyze the information collected and interpret it; finally, making recommendations based on the information that has been obtained.

Sales
The sales function of a business involves the selling of the specific product or service you offer.

In a small business this forms part of the everyday tasks of the entrepreneur. In a larger or more established business there are often several “salesmen” - who are employed to find customers to sell the products or services to.

Salespeople often carry marketing material such as brochures, pamphlets, samples or other advertising material. Business cards form a crucial component of their selling equipment - their success in selling is often based on good relationships built with new and existing customers.

Production/ Operations
Production involves the processes, systems, technology, resources and other related factors required to manufacture or generate the product or service.

People involved in production worry about:
- Reducing the time needed to make a final product
- Improving the quality of what is made
- Reducing the cost of making it
• Reducing the resources required to make a final product
• Improving on how the product works.

This last item has to lead to a close interaction with the companies Research and Development (R&D) department. In a small business however, a separate R&D department is rare - R&D in this case tends to happen as part of the production process.

Finances

<table>
<thead>
<tr>
<th>Production people tend to look at:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• <strong>Product design</strong> - an idea has to be converted into a preliminary design that needs to be tested and improved upon before a prototype is created and a final design made;</td>
</tr>
<tr>
<td>• <strong>Planning capacity and control</strong> - what is needed to achieve a set of production targets</td>
</tr>
<tr>
<td>• <strong>Inventory planning</strong> - making sure that you have sufficient raw materials in stock, but not too much, this ties up money!</td>
</tr>
<tr>
<td>• <strong>Quality</strong> planning and control.</td>
</tr>
</tbody>
</table>

In larger companies, there may also be a separate purchasing department to buy the raw material.

The Finance Department involves itself with:

• Acquiring funds (financing the business)
• The application of funds in buying new assets (investment)
• Administration of and reporting on the financial side of the business.

Finance concerns the following:

• **Balance sheet** - which gives an instant overview of the business - a bit like an instant photograph.

The Asset side of the balance sheet indicates everything that the company owns. Fixed assets are assets such as land, buildings, machinery, vehicles and other equipment. Current assets are things like cash in the bank and anything that can be converted to cash within one year during the normal course of business.
The Liabilities side of the Balance Sheet reflects what the business owes in debts - including any claims that persons or institutions will have against the business.

If the liabilities are less than the assets, then the company is in business!

- **Capital** - is the value of the cash and (sometimes) other things which can be converted to cash in your business at a given point in time.

- **Income** - is the money generated from selling a product or service.

- **Costs** - Is money spent to make the product or service (which are sold to the customer for income).

Costs include *fixed costs* such as the monthly cost for renting a certain amount of floor space and *variable costs* such as the cost of raw materials required to make your products.

- **Profit/ Loss** - is the result obtained when the costs have been subtracted from the income. If this difference results in cash in the bank then it is referred to as *profit* and if it leads to you owing money it is referred to as a *loss*.

- **Income statement** - is a set of yearly financial figures which shows the profit or loss situation of the business, how this was arrived at and how it has been distributed. This is usually drawn up by your Accountant as part of the year-end accounting.

**Personnel / Human Resources (HR)**

The HR - or Personnel Department - is mainly concerned with the management of the company’s people. Functions tend to involve:

- Planning
- Recruiting
- Selection of new recruits (job interviews)
- Staff induction (introduce the company to new recruits)
- Dispute settlement
- Career development
- Mentoring, etc.

- **Planning** - which involves job analyses (observation, interviews, questionnaires) and job descriptions.
• **Recruiting** - this involves either the external or internal recruitment of new people into the company.

Recruitment can be handled either in-house, or through consultants. Recruitment can involve advertising, presentations to schools and universities, career exhibitions etc.

• **Selection** - this involves the initial screening of applicants, testing them and interviewing them. Sometimes video interviews or computer-based interviews are also conducted.

• **Employment** - looks at the tax and benefits of employment, as well as other matters that affect employment, such as leave and overtime. These conditions are usually written up in a document called “Conditions of Service.

• **Induction** - introducing a new employee to the company so that the person can begin to contribute in his/her job as soon as possible after joining the company.

• **Dispute settlement** - the arbitration of employment disputes between the company and employees or labour unions.

• **Career development** and mentoring is required by law. This process can assist employees in identifying their career paths (1) and what they want to achieve in the future (2) whilst stimulating their growth towards that goal. This will improve productivity and benefit the employee. Career development may also involve training programmes etc.

**Administration/ Management**

The purpose and task of management is to satisfy unlimited needs with limited resources. In other words, they have to make things happen with what is available in the business and in the process generate not only income, but also make a difference and grow the business and everyone else related to it at the same time. The people involved with this are responsible for achieving the highest possible output or return for the least possible input and as such examine methods that will enable the business to be as productive as possible. It involves planning, organizing, leading and control and requires a person to have technical, interpersonal and conceptual skills.
14.6 A Business Plan

Before starting a new business, it is a good idea to put together a business plan. This will help you to focus and test your ideas on paper before committing in a real business.

It is also a very useful document to use when sharing your ideas with others - for example with your Bank Manager if you want to borrow money to start the business.

This section looks briefly at what a Business Plan is. The last section in this Manual looks at Business Plans in more detail.

A properly written business plan will look at:

- A detailed description of the proposed business.
- Any legal requirements such as licenses and permits that may be required.
- Description of the product/service to be marketed and sold.
- The physical location of your business.
- Personal particulars of yourself - such as educational qualifications, business experience and training received.
- A comprehensive description of competitors and their products/services.
- An outline of the proposed marketing plan and strategy - with details of the target market, the percentage of the market share aimed for in the medium and long term, purchasing, pricing, selling and sales promotion strategies.
- An outline of the financial plan and strategy - including break-even analysis and detailed income statement, cash-flow budget and balance sheet, projected for the first 12 months.
- The business operating plan and strategy - including information such as personnel to be employed, proposed management and organizational structures and proposed administrative and record-keeping systems.
Typical Sections of a business plan would include:

- **Summary of your business plan** - The summary is where all the important information of the business plan is captured in one small section. This helps someone who reads through it to quickly get a good overview.

  It is a short, to the point overall view of what your business wants to achieve, what it is about and how it will work;

- **Objectives you want to achieve** - The objectives indicate what the business wants to achieve, such as: "Sell toilet paper to the local community and over 10 years expand to sell to the whole country".

- **Your business details** - information such as: what is it, how will you sell it, do you have to keep stock, transporting it, getting raw materials etc.

- **Your target market** - who, where, competition, market trends, growth potential. Target market information provides details on who the customers are, where they can be found, what companies compete with you, what the market trends are, what growth potential in this market etc.

- **What your business needs** to function properly - people, buildings, training, processes and systems, equipment.

- **Marketing** - indicate what you will do to introduce your product to potential customers, what you need for the process, and how you will do it.

- **Budget** - shows all the costs involved in making your product, including in selling and supporting it. The budget will tell you if you will be able to cover expenses, and have sufficient time to generate income before your funds run out.

**14.7 Financing**

In many cases, finance will be required for your business:

- When you start the business - to buy machinery and other equipment.
- When you need to expand your business, for example when you find a new sales opportunity that requires increased production capacity;
It is normal to borrow money from time to time. There are many companies whose business it is to lend you money! Of course, they will want it back, with interest, at some stage.

Financing for your business can be achieved in a number of ways:

- **Personal savings** - the good thing about this is that no one will harass you to it pay back - it is your money. You will have no interest to pay (but you also lose the interest that you would have earned). This is called “bootstrapping” and many famous companies started this way, e.g. Dell, Microsoft, etc. Unfortunately, if you have not worked before or earn too little, you may not have much in savings. Perhaps your savings are needed for a family crisis, school fees etc.

- **Approach a bank** - this is an easy way to borrow money - but the downside to lending money from banks is that they will often ask for collateral - such as life insurance policies or house deeds. Quite often, we don’t have these.

- **Financing institutions** - which often don’t require the same collateral that a Bank would ask for. Some also provide training in management and business skills and may also have lower interest rates than Banks. However, they often can only lend small amounts and if you get into debt you may not be able to pay it back.

- **Family or friends** - but this often causes bad feelings if you cannot pay it back quickly enough when they need it. On the other hand, the good thing about borrowing money like this is that you know and trust the people you borrow money from. They will also be more understanding if you ask for an extension and they probably will not charge as much interest.

- **Share your business** - if you know someone who would have money to invest, then you could bring them in as partners. You bring the idea and work into the business while, for a part of the share-holding, they supply the money required.

- **Venture Capital** - “venture capitalists” may be interested in investing in your company. Again, this would be a formal relationship and they would usually control part of the shareholding of the company in return.
15 Writing Business Plans

In this Section, you will find two outlines for Business Plans that you could follow when putting together your own business plan.

The next Section gives an example Business Plan for “Simply Perfect Nappies”. This has been included to give a real-life example of how a Business Plan could look like.

15.1 Example 1: BUSINESS PLAN OUTLINE

These pages provide a suggested outline of the material to be included in your business plan. Your final plan may vary according to your specific needs or individual requirements of your lender or investor.

COVER SHEET: (title page of your business plan)

- Name, address, and phone number of the company.
- Name, title, address, phone number of owners/corporate officers.
- Month and year your plan was prepared.
- Name of the author.
- Copy number of the plan.

EXECUTIVE SUMMARY (or Statement of Purpose)

This states your business plan objectives. Use the “who, what, where, when, why, how, how much” to summarize the following:

- Your Company (who, what, where, when).
- Who your management is and what their strengths are.
- What your objectives are and why you will be successful.
- If you need financing, why you need it, how much you need and how you intend to repay the loan or benefit the investor.

Note: Do not write the executive summary (statement of purpose) until you have completed your business plan! It is a summary and reflects the contents of the finished plan.
TABLE OF CONTENTS (Quick reference to major topics covered in your plan)

PART I: THE ORGANIZATIONAL PLAN
What is included? This section should include a "summary description of your business" statement followed by information on the "administrative" end of your company.

SUMMARY DESCRIPTION OF THE BUSINESS
In a paragraph or two give a broad overview of the nature of your business, telling when and why the company was formed. Then complete the summary by briefly addressing:

- Mission (projecting short- and long-term goals).
- Business model (describe your company's model and why it is unique to your industry).
- Strategy (give an overview of the strategy, focusing on short- and long-term objectives).
- Strategic relationships (tell about any existing strategic relationships).
- Risks (that your company will face, both external and internal).

PRODUCTS OR SERVICES
If you are the manufacturer and/or wholesale distributor of a product, describe your products. Briefly explain what your manufacturing process looks like. Include information on suppliers and the availability of materials.

If you are a retailer and/or an e-tailer: Describe the products you sell. Include information about your sources and handling of inventory and order fulfilment.

If you provide a service: Describe your services. List future products or services you plan to provide.

INTELLECTUAL PROPERTY
Address Copyrights, Trademarks, and Patents. Back this up in Supporting Documents with registrations, photos, diagrams, etc.
LOCATION
Describe your projected or current location.
Project costs associated with the location.
Include legal agreements, utilities forecasts, etc. in Supporting Documents.

Note: If location is important to marketing, cover in Part II - The Marketing Plan.

LEGAL STRUCTURE
Describe your legal structure and why it is advantageous for your company. List owners and/or corporate officers describing strengths (include résumé’s).

MANAGEMENT
List the people who are (or will be) running the business.
Describe their responsibilities and abilities.
Project their salaries (Include résumé’s in Supporting Documents)

PERSONNEL
How many employees will you have in what positions?
What are the necessary qualifications?
How many hours will they work and at what wage?
Project future needs for adding employees.

ACCOUNTING & LEGAL
Accounting: What system will you set up for daily accounting?
Who will you use for a tax accountant? Who will be responsible for periodic financial statement analysis?

Legal: Whom will you retain as attorney? (Keep 'Murphy's Law' in mind).

INSURANCE
What kinds of insurance will you carry? (Property & Liability, Life & Health). What will it cost and who will you use for a carrier?

SECURITY
Address security in terms of inventory control and theft of information (online and off). Project related costs.
PART II:
THE MARKETING PLAN
What is a marketing plan? The Marketing Plan defines all of the components of your marketing strategy. You will address the details of your market analysis, sales, advertising, and public relations campaigns. The Plan should also integrate traditional (offline) programs with new media (online) strategies.

OVERVIEW AND GOALS OF YOUR MARKETING STRATEGY

MARKET ANALYSIS
Target Market (identifies with demographics, psychographics, and niche market specifics).

Competition (describe major competitors assessing their strengths and weaknesses).

Market Trends (identify industry trends and customer trends).

Market Research (describes methods of research, database analysis, and results summary).

MARKETING STRATEGY
- General Description (indicate % of budget to be allocated to on- and off-line marketing with expected Return on Investment)
- Method of Sales and Distribution (stores, offices, kiosks, catalogues, mail, website)
- Packaging (quality considerations and packaging)
- Pricing (price strategy and competitive position).
- Branding
- Database Marketing (Personalization)
- Sales Strategies (direct sales, direct mail, email, affiliate, reciprocal, and viral marketing)
- Sales Incentives/Promotions (samples, coupons, online promo, add-ons, rebates, etc.)
- Advertising Strategies (traditional, web/new media, long-term sponsorships)
- Public Relations (online presence, events, press releases, interviews)
- Networking (memberships and leadership positions).
CUSTOMER SERVICE
• Description of Customer Service Activities
• Expected Outcomes of Achieving Excellence.

IMPLEMENTATION OF MARKETING STRATEGY
• In-House Responsibilities
• Out-Sourced Functions (advertising, public relations, marketing firms, ad networks, etc.).

ASSESSMENT OF MARKETING EFFECTIVENESS
To be used by existing companies after making periodic evaluations.

PART III:
FINANCIAL DOCUMENTS
This section of the business plan is the quantitative interpretation of everything you stated in the organizational and marketing plans. Do not prepare this part of your plan until you have finished those two sections first.

Financial documents are the records used to show past, current, and projected finances. The following are the major documents you will want to include in your Business Plan. The work is much easier if they are done in the order presented because they build on each other, utilizing information from the ones previously developed.

SUMMARY OF FINANCIAL NEEDS (needed only if you seek finance)
This is an outline giving the following information:

(1) Why you are applying for financing
(2) How much capital you need.

LOAN FUND DISPERSAL STATEMENT (needed only if you are seeking financing)
You should:

(1) Tell how you intend to disperse the loan funds
(2) Back up your statement with supporting data.
PRO FORMA CASH FLOW STATEMENT (BUDGET)
This projects what your Business Plan means in terms of Rands. It shows cash inflow and outflow over a period of time and is used for internal planning. It is of prime interest to the lender and shows how you intend to repay your loan. Cash flow statements show both how much and when cash must flow in and out of your business.

THREE-YEAR INCOME PROJECTION
A Pro Forma Income Statement showing projections for your company for the next three years. Use the revenue and expense totals from the Pro Forma Cash Flow Statement for the 1st year's figures and project for the next two years according to expected economic and industry trends.

PROJECTED BALANCE SHEET
This contains a Projection of Assets, Liabilities and Net Worth of your company at the end of the next fiscal year.

BREAK-EVEN ANALYSIS
The break-even point is the point at which a company's expenses exactly match the sales or service volume. It can be expressed in:

1. Total Rands or revenue exactly offset by total expenses -or-
2. Total units of production (cost of which exactly equals the income derived by their sales).

This analysis can be done either mathematically or graphically. Revenue and expense figures are drawn from the three-year income projection.

Note: The following are Actual Performance (Historical) Statements. They reflect the activity of your business in the past. If your business is new and has not yet begun operations: the financial section will end here and you will add a Personal Financial History.

If yours is an established business: you will include the following actual performance statements:

PROFIT AND LOSS STATEMENT (INCOME STATEMENT)
Shows your business financial activity over a period of time (monthly, annually). It is a moving picture showing what has
happened in your business and is an excellent tool for assessing your business. Your ledger is closed and balanced and the revenue and expense totals transferred to this statement.

**BALANCE SHEET**
Shows the condition of the business as of a fixed date. It is a picture of your firm's financial condition at a particular moment and will show you whether your financial position is strong or weak. It is usually done at the close of an accounting period and contains:

1) Assets
2) Liabilities and
3) Net Worth.

**FINANCIAL STATEMENT ANALYSIS**
In this section you will use your income statements and balance sheets to develop a study of relationships and comparisons of:

1) Items in a single year's financial statement  
2) Comparative financial statements for a period of time, or  
3) Your statements with those of other businesses. Measures are expressed as ratios or percentages that can be used to compare your business with industry standards.

If you are seeking a lender or investor, ratio analysis as compared to industry standards will be especially critical in determining whether or not the loan or venture funds are justified.

- Liquidity Analysis (net working capital, current ratio, quick ratio)  
- Profitability Analysis (gross profit margin, operating profit margin, net profit margin)  
- Debt Ratios (debt to assets, debt to equity)  
- Measures of Investment (return on investment)  
- Vertical financial statement analysis (shows relationship of components in a single financial statement)  
- Horizontal financial statement analysis (percentage analysis of the increases and decreases in the items on comparative financial statement).
BUSINESS FINANCIAL HISTORY
This is a summary of financial information about your company from its start to the present. The Business Financial History and Loan Application are frequently one and the same. If you have completed the rest of the financial section, you should have all of the information you need to transfer to this document.

PART IV:
SUPPORTING DOCUMENTS
This section of your plan will contain all of the records that back up the statements and decisions made in the three main parts of your business plan. The most common supporting documents are:

PERSONAL RESUME’S
Include resumes for owners and management. A resume should be a one-page document. Include: work history, educational background, professional affiliations and honours, and a focus on special skills relating to the company position.

OWNERS' FINANCIAL STATEMENTS
A statement of personal assets and liabilities. For a new business owner, this will be part of your financial section.

CREDIT REPORTS
Business and personal from suppliers or wholesalers, credit bureaus, and banks.

COPIES OF LEASES, MORTGAGES, PURCHASE AGREEMENTS, ETC.
All agreements currently in force between your company and a leasing agency, Mortgage Company or other agency.

LETTERS OF REFERENCE
Letters recommending you as being a reputable and reliable business person worthy of being considered a good risk (both business and personal references)

CONTRACTS
Include all business contracts, both completed and currently in force.
OTHER LEGAL DOCUMENTS
All legal papers pertaining to your legal structure, proprietary rights, insurance, etc. Limited partnership agreements, shipping contracts, etc.

MISCELLANEOUS DOCUMENTS
All other documents which have been referred to, but not included in the main body of the plan. (for example, location plans, demographics, competition analysis, advertising rate sheets, cost analysis, etc.).

PUTTING YOUR PLAN TOGETHER
When You Are Finished: Your Business Plan should look professional, but the potential lender or investor needs to know that it was prepared by you. Although far from perfect, a business plan is still the best indicator that can be used to judge your potential for success.

It should be no more than 30 to 40 pages in length, excluding supporting documents. If you are seeking a lender or investor, include only those supporting documents that will be of immediate interest to the person examining your plan. Keep the others with your own copy where they will be available at short notice.

Have your plan neatly bound at your local print shop or in blue, black or brown covers purchased from the stationery store. Make copies for each lender or investor you wish to approach.

Do not give out too many copies at once, and keep track of each copy. If you are turned down for financing, be sure to retrieve your business plan.

KEEP YOUR BUSINESS PLAN UP-TO-DATE
Your plan will be beneficial only if you update it frequently to reflect what is happening within your business. Measure your projections against what actually happens in your company. Use the results to analyze the effectiveness of your operation. You can then implement changes that will give you a competitive edge and make your business more profitable.
15.2 Example 2: A SIMPLE BUSINESS PLAN OUTLINE

- Introduction
- Why is planning so important?
- Who should do the planning?
- How often should I plan?
- So, what is in this planning process for me?
- Planning an effective business plan
- Why do you need a business plan?
- What must a business plan consist of?

STEP ONE:
Summarise your plan
In a nutshell, this is the overview to your business. It defines the market your company will operate in and lists the products or services you will deliver. Make this opening section exciting reading; imbue it with your enthusiasm for your venture and describe the most appealing attributes of your business clearly and concisely.

Remember, that this first paragraph is the one that is going to grab the attention of the bank manager, the supplier, your first customer. Crucial to the introductory summary is how you position yourself against similar existing businesses. Why is yours different? How will yours have the edge over all the others? If it's something completely new, say so and if you've stumbled onto an untapped niche market, explain its application.

If you've discovered a new way to market your product, explain your strategy but above all... make this sound as if it is the breakthrough business of the century! Remember, the greater your competitive advantage, the less risk your business faces and the more likely it is that your bank will be there to lend you the money you need!

STEP TWO:
Make your business objectives clear
You might want to be the next Richard Branson, with a finger in a hundred different pies. Slow down and take one thing at a time. Or as they say, "slowly catch the monkey!" Make your objectives clear and achievable. And don't make them into "pies
in the sky" either! Business objectives are about facts. . . not fiction!

You, like Richard Branson, might want to eventually brand your own record label, your own cola or your own airline, but leave that in the box marked "future achievable dreams". For now stick to what is attainable, and what makes "Rands and sense" to your bank manager.

STEP THREE:
Defining your business concept
Before you even start with the details, have a clear picture of what the nature of your business will be:

• Is it a Product-Based Business?
• By this we mean; are you setting up a manufacturing arm to the business, will you need to warehouse stock, provide packaging, need a sales force?
• Are you starting a Service Business?
• If so, what is its competitive edge and how are you going to reach your target market?

Areas that need to be part of the Business Plan include:

SUPPLY SOURCE
If you're going to manufacture, you're going to need a larger capital outlay, equipment and machinery. If you're purchasing product, suppliers need to service you and you may need to invest in stock. Cost out carefully all these requirements, making sure you have covered all bases and are not hit with financial or production surprises further down the line.

Consider also the labour implications of setting up a manufacturing plant and the costs (many hidden) that go with employing large numbers of staff.

RANGE OF PRODUCTS AND SERVICES
Have a clear idea of the range of services and products you will trade in. Settle on a realistic and manageable number bearing in mind that you cannot be everything to everybody and take note of the simple truism: Less is more.
Rather have fewer products and sell them more efficiently or offer fewer services but service those customers well.

**PRESENTATION AND PACKAGING**

Sadly, we live in a world where appearances count and though we are taught not to judge a book by its cover, we often turn our noses up at something that doesn't have "buy me" appeal.

You might have the most innovative and exciting product which you believe is going to take the world by storm. But can it stand on a shelf on its own? Is it appealing enough to sell without packaging or presentation?

Remember, consumers are attracted by first impressions and if your product doesn't catch the eye, or have a unique presentation concept you may be losing sales before you've even begun. Remember also, that unique packaging can and should be patented.

**DELIVER SERVICE SMARTLY**

Debonairs Pizza might have coined the phrase but they also redefined service delivery and have taken it to new heights. Realising that their product (pizza) was not unique but wanting to have the "edge" over their competitors, they jacked up their service, offering delivery by personnel in tuxedos and bowties and in so doing turned the fast food industry on its head.

In Debonairs' case, they took the term "service delivery" and quite literally made it into a success story. In your business, you need to develop a "service plan" i.e., a tangible plan on the ways and means to reach your customer and gain the competitive edge through customer satisfaction. This "service delivery" must incorporate everything from brand image, customer care to prompt delivery.

**TO STORE OR NOT TO STORE**

Clearly define your product and plan on how to store it. You might have invented the most delicious new ice-cream, but being perishable, you need refrigeration storage and transport.

Your product might be large and bulky and require expensive warehouse facilities and heavy lifting equipment. Cost in these factors and consider outsourcing or renting space, better still, consider supplying your customer direct from source. If you're
going into the service industry and you're saying "Whew! At least I don't have storage problems!" Think again! You're basically selling time and time waits for no man and certainly cannot be stored! Once that time has passed, you can't get it back!

Consider down times and work out how to compensate for it. Many service providers, like hotels and airlines, offer special promotions in off-peak times or on midnight flights. Anything to make some income in those "dead" hours.

**DISTRIBUTION: GETTING FROM A TO B**
Distribution - or the way you get a product or service to your customer - is the make or break factor in any new venture. The key to success here is speed, efficiency and convenience.

Consumers make no secret that they will support the company that gets things to them faster and more efficiently. Even price takes a back seat to reliable distribution so make that your number one priority.

**BUILDING AFTER-SALES RELATIONSHIPS**
The well-known business principle that *one happy customer will tell five people about your good product or service but will tell ten people if your service is rotten* should form the basis of your after-sales strategy.

Carefully plan your after-sales strategy and include things like follow-ups and guarantees. More and more, businesses are discovering the value of a loyal customer and are using the term "relationship marketing" to describe their efforts to keep that customer for life.

**PATENT AND PROTECT**
There are hundreds of stories out there about people and companies who invented unique products, did not patent them and had the rug of success pulled from under them.

From the moment you give your company and product a name, register it! Check with patent experts on what can be registered from your brand name, to the logo and packaging. Think of the strength of the Coca Cola brand which, through stringent copyright and patent protection rules the roost!
Intellectual property must always be registered as soon as possible and must be made as difficult as possible to copy. Avoid using generic terms (like Coffee Place or Wool Centre) and try and attach a unique brand to the name.

**BUILD BRAND IDENTITY**
An important part of your Business Plan is to develop a unique look and "feel" to your product. Some refer to it as a brand or "personality". It is the differentiating factor between you and your competitor. Franchising, for example, successfully establishes brands and quickly duplicates them through the business format system, thereby ensuring fast consumer absorption and acceptance.

Even if you are starting a one-man service, don't ignore the power of branding. If you're in the auto-care business, make your staff wear overalls in the company colours with a peak cap bearing your logo. Take that "image" through to your reception and even garage area with bold corporate colours on the walls, branded key ring giveaways for your customers and a logo-ed thank-you-for-your support air freshener waiting for them when they pick up their car.

It's the small things that count, the simple but effective touches that will give you the right "personality", make you stand out from the rest and make the customers come back for more.

**STEP FOUR:**
Is anyone out there?  
Do you know who your market is?  
Does he/she have a face. . . a character. . . an age. . . an opinion?

Too often in business, we generalise and compartmentalise our market. They are faceless "things" that will, for no rhyme or reason, buy your product and make you rich. Wrong! If you don't have a clear picture of who you're selling to, it means you're flying blind. And if you're flying blind, you'll crash! It's as simple as that!

Before you introduce that housewife's product that they cannot do without, or that toy that the kids are going to go crazy for - STOP! - and make sure:
There is a market for your product
Is there genuinely a gap for your product or are you just introducing one of twenty products already out there?

If you are introducing that 20th washing powder, you had better make sure that it works better than anything else, and that you have the most compelling and unique promotional campaign lined up to sway consumer buying away from nineteen other products to yours.

Narrow down your target market
Although we would all want to sell to all 47 million South Africans, that is not always possible, nor even desirable. Some of the most successful businesses in the world sell in niche markets, so determine whether you want to sell to the whole market or just a segment of it.

Once you’ve successfully penetrated one market sector, you could then target an allied one. A good example of this is Johnson & Johnson who moved from their exclusive baby’s market successfully into the adult market with a range of shampoos and beauty products.

Choose a market that has potential for growth
Although it's a scoop to be able to invent that one toy that will make you an instant millionaire, remember that most business opportunities must be sustainable over time. That means you must choose a product or service that can grow over time.

Changes in consumer lifestyles are often an indication of market trends. With time being of the essence in our hurly-burly world, anything that saves the consumer time is going to be a sure bet.

Keep abreast of market trends
Take note of new market trends and see whether you can pre-empt and boost your market share by being one step ahead. Stay in touch with what's in and what's out. Notice the trend in coffee shops, or the move towards home meal replacements.

If you have an ear to the ground and read the trends ahead of the competition, you can then take action and seize the initiative in your industry.
Select the right geographic site
South Africa offers a myriad of climates, cultures and opportunities. Decide if you’re going to concentrate on one area or launch nationally... or even internationally! Do your homework first and make sure your product or service is suited to that particular part of the country.

Seasonal Strategies
Selling ice to Eskimos will make you an excellent salesperson but it is not something we recommend in the normal course of doing business. Consider the implications of seasonal sales on your business and plan accordingly.

Plan your year around the seasons and see whether there are alternatives for the slower months, the winter months or the school terms. Plan strategic promotions around the slower periods to try and boost sales.

Beware the Competition!
They say competition is healthy - and so it is! But always treat the competition with respect and follow their every move. That could be your salvation.

Don’t just think of the store next door to you as your competition. It comes in many forms and shapes. It could be the opposite product to yours that suddenly becomes fashionable or a change in consumer tastes that makes what you have to offer obsolete. The secret here is to always be aware of what’s going on around you and be especially aware of what the competition is up to.

STEP FIVE:
Infrastructure - the building blocks of success
An important part of your Business Plan must be devoted to defining your infrastructure. Look at what you need to run your business - both in the short-term and in the long-term.

Remember to incorporate expansion plans into that strategy or you might find yourself at the losing end when your sales exceed your capacity to service that expansion.
What are you going to need in your business?

Premises
The old adage of location, location and location also applies to business. You might be a stone's throw away from the main street thoroughfare; in sight of the thousands of commuters who pass by each day; but you cannot attract their patronage. Why? It's simple. A consumer is looking for absolute convenience and you might just be those few strides out of their way.

If you need high visibility, you must position yourself where the people are. If you consult or are in the service business, premises are not that crucial and the global trend is very much towards being a "free agent" and even working from home.

Staff
Take a tip from those who know. Invest in high quality staff. They pay dividends.

Assess your staff requirements and don't cut corners when it comes to getting the very best people for the job.

Training and Development
You can never do enough training. Whether we're talking about yourself or your staff. As an entrepreneur you must always keep learning and through knowledge and insight, keep one step ahead of the competition.

Your staff must be a reflection of yourself and the way you want to do business. Set the highest standards and through training impart those standards with your staff continually.

Systems and Controls
A business cannot survive today without keeping up with technological advances. With the dawning of the new millennium we have become a new wired world. If you're not on the fast track, you'll be left trailing behind.

Plan for those computer programmes, the point of sale, the Internet and the e-commerce.

Operations Manuals
Operations manuals have become bibles to industries such as franchising. And you can understand why franchising accounts for close to 50 percent of all retail sales in the United States.

The business format system gives you a 'paint-by-numbers' guide on how to run a business. If you follow the rules to the letter, you cannot but succeed. Apply those same operating systems in your business and see the results!

STEP SIX:
Apply the marketing mix to your recipe
An important part of your Business Plan must be devoted to marketing your business. It must include a strategy on how to identify your market sector and what medium to use to best reach that target market. In a separate chapter we will deal with Branding, Advertising, Promotions and PR - all tools to put your product or service on the map.

STEP SEVEN:
Pre-opening checklist
You think that you have covered all the bases but just to be sure, run through a last check on what is crucial to start a business.

• Have you registered your company?
• Are you happy with the name of your company or product?
• If you have brands, have you registered them and their logos?
• If you fall under an industry association, make sure you register with them.
• Are all your staff placements in order, with contracts signed and job descriptions issued?
• Have you opened a bank account in the company name?
• Make sure you have telephones, faxes and e-mails installed before you open.
• Check with the bank that your financial package has come through.
• Is the “image” of your company ready - with letterheads, stationery etc?
STEP EIGHT:
Does the budget tally?
The million Rand question. After planning and strategising; dreaming and despairing, you now get to translate those plans into cold, hard cash. Will you have enough capital to start and maintain your business? Have you over budgeted or under budgeted? If you have followed our business plan carefully, you should have covered all bases and it should be fairly easy to put numbers to the various parts of your business.

Those numbers, however, are crucial to the long-term success of your business and those numbers are crucial to the bank or financial institution whose job it is to assess whether or not you have a viable business proposition.

I'm sure you'll agree that drafting a Business Plan is perhaps the hardest planning activity that you will have to do in your business. However, you will be thankful that you went to all this trouble when you see how your business plan can become a blueprint for success. It also forces you to think of all the dangers and pitfalls before you actually start to walk the talk!
Simply Perfect Nappies

Nakaseke - near Bordsburg
Johannesburg

a business plan
This Business Plan was written purely to illustrate how a Business Plan can be assembled. It not based on any existing business and is purely for DEMONSTRATION PURPOSES ONLY.

*If you write a Business Plan, ensure that you do proper research*

This plan is based on “Starting your own Business” by Peter Hingston (ISBN 0 7513 1413 7)

This book (and others) will give more background on the areas that you should look at

**Comment**

You will now see why it is important to write a Business Plan AND include financials such as a Cash Flow Statement.
## Summary - Simply Perfect Nappies

<table>
<thead>
<tr>
<th>Business Opportunity</th>
<th>The manufacture and re-selling of disposable baby nappies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business type</td>
<td>Registered Close Corporation (CC)</td>
</tr>
<tr>
<td>Location</td>
<td>Nakaseke, a township to the south of Johannesburg</td>
</tr>
<tr>
<td>Owner (s)</td>
<td>Mary Pelo, a resident of Nakaseke, the business champion (20% ownership) plus 8 other ordinary members - 10% shareholding per ordinary member (20% + 80% = 100%)</td>
</tr>
<tr>
<td>Staff</td>
<td>No additional staff initially as the 9 members will be working in the business.</td>
</tr>
<tr>
<td>Market</td>
<td>The main market is young women in the Nakaseke Township (total estimated population 450,000) who have recently had a baby (est. at 4.5% of the total population at any one time). This represents a potential market of 20,250 babies who need nappies. As a result of unemployment, affordability of shop-bought mass-produced nappies is a big issue. Further, the nearest large supermarket is in the Molebeng Centre on the corner of Church and Mandela Drive in Bordsburg - about 15km away. The biggest competitor is non-disposable (washable) nappies; as well as reject nappies which are available from Amanda’s Reject Nappies in the Freeway Centre - (8 km away) who also employs agents to sell in the township.</td>
</tr>
<tr>
<td>Premises</td>
<td>The nappy factory will be initially located in the Nakaseke Community Centre (25 sq. metres). After 6-9 months, this will be reviewed and according to nappy output at that time, a more permanent location will be found (probably in one of the industrial units along Unity Road).</td>
</tr>
<tr>
<td>Proposed business name</td>
<td>“Simply Perfect Nappies”</td>
</tr>
<tr>
<td>Turnover</td>
<td>R 83 250 per month.</td>
</tr>
<tr>
<td>Financing</td>
<td>To purchase a nappy making machine, financing of R45 000 is required. An additional R15000 is required in order to purchase other start-up equipment and materials, including nappy raw materials as well as second hand tables and chairs.</td>
</tr>
</tbody>
</table>
Finally, start-up capital of **R2 500** will be required for diverse capital purchases. **Total R62 500**

The Members can raise **R10 000** (R1000 each)
This leaves a balance of **R52 500** to be found. **R25 000** (raised through a 3 year bank loan).

The balance, **R27 500** will be sought from one of the Poverty Alleviation Funds - one of which has expressed a willingness to make this Grant, as has one other Donor Fund - the Reijo Small Business Fund of Finland.

| Timescales | To start trading in June 2005 - allowing for a 6-month lead in time. |

**Introduction**

The objective is to set up a nappy-production and distribution business in the Nakaseke community. The “factory” will initially be housed at the Nakaseke Community Centre, but more permanent premises have to be found within 9 months of the venture starting.

Both medium and large nappies will be made.

At any one time, three of the Members will work in the “factory” to manufacture nappies, while the remaining seven members will be selling from door to door.

The purpose of this Plan is to define the business opportunity; to ensure agreement amongst all ten Founding Members; as well as most importantly, to raise the finance for this venture.

**Market Research**

Nakaseke Township is a large semi-urban township with a population of around 450 000 people, but also characterised by high unemployment.

During her years living in Nakaseke, Mary Pelo has noticed that the availability of low-cost nappies is a major issue amongst young mothers - especially to mothers who are unemployed, Affordability is an issue.
In addition however, the availability of low-cost nappies has often been a concern as the nearest supermarket is about 15 kilometres away.

Over and above the supermarkets being far away, nappies are available through local Spaza shops within Nakaseke, but these tend to have a high unit cost. Further the size of pre-packaged nappies make then an unpopular item to stock in Spaza shops, where storage space is at a premium.

Many Nakaseke young mothers tend to rely on non-disposable nappies. This in turn leads to health problems (soiled nappies have to be washed and availability of running water and running sewerage is a problem).

It is estimated that there are around 10 000 mothers at any one time within the broader Nakaseke community. Mothers with little or no income tend to use non-disposable nappies during the day and switch to disposable in the evenings and overnight (2 disposable changes per day).

Working mothers tend to use disposable nappies throughout (4 disposable changes per day).

This represents a total potential market of 30 000 nappies per day (assuming an average of three changes per day). Assuming a further 5% market penetration for Simply Perfect Nappies, this represents a potential sales volume of 1 500 nappies per day, or 45 000 per month.

Finally, similar opportunities exist in neighbouring townships, with similar “lower-income” demographics; to the more affluent suburbs of Johannesburg.

For simplicity and so as to take a worse-case scenario, these potential sales have not been factored into the financial analysis for Simply Perfect Nappies.

The existing shops in the area that might present competition to Simply Perfect Nappies are:

<table>
<thead>
<tr>
<th>Competitor</th>
<th>Pricing</th>
<th>Unit Price</th>
</tr>
</thead>
</table>
| ShopRite Checkers - Bordburg. | Buggies Medium R20 per 10  
Buggies Large R28 per 10 | R 2.00  
R 2.80 |
| Spar - Bramble Gardens Shopping Centre; 2nd | Buggies Medium R19 per 10  
Buggies Large R23 per 10 | R 1.90  
R 2.30 |
<table>
<thead>
<tr>
<th>Avenue, Bordsburg</th>
<th>Buggies Medium</th>
<th>Buggies Large</th>
<th>R 2.10</th>
<th>R 3.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sainsbury’s 9th Road, London Street, Bordsburg</td>
<td>R21 per 10</td>
<td>R30 per 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tshipo’s Spaza Shop 13th Avenue Nakaseke.</td>
<td>R35 per 10</td>
<td>R45 per 10</td>
<td>R 3.50</td>
<td>R 4.50</td>
</tr>
<tr>
<td>Moody’s Superette Nakaseke.</td>
<td>R42 per 10</td>
<td>R50 per 10</td>
<td>R 4.20</td>
<td>R 5.00</td>
</tr>
<tr>
<td>Amanda’s Reject Nappies - Freeway Shopping Centre, Mandela Drive, Bordsburg</td>
<td>R17 per 10</td>
<td>R22 per 10</td>
<td>R 1.70</td>
<td>R 2.20</td>
</tr>
<tr>
<td></td>
<td>R25 per 10</td>
<td>R30 per 10</td>
<td>R 2.50</td>
<td>R 3.00</td>
</tr>
</tbody>
</table>

There is at present little direct competition from shops within Nakaseke Township. The main competitors are supermarkets in other Suburbs around Nakaseke, but these are some distance away (15 km).

Other competition would come from non-disposable nappies (but there is convenience as well as health problems associated with non-disposables).

More direct competition can come from Amanda’s reject nappies. While she sells nappies from her shop which is some 8 km away, she does have selling agents within Nakaseke Township who buy from her shop to re-sell in within Nakaseke.

Mary Pelo has questioned 100 young mothers within the community who she knows and all of which would be potential customers for *Simply Perfect Nappies*.

Of this sample, 38 indicated that they would definitely consider buying *Simply Perfect Nappies* if they were cheaper, and readily available, and the nappies were delivered to their door.

30 women however indicated that they work in town anyway and would probably continue to buy from a supermarket along with their normal weekly shopping.
However, of these 28, 16 also indicated that they would consider a switch if the nappies were delivered in the evenings, as they are bulky items and difficult to carry home on the bus.

A further 18 indicated that as they have cars, and use credit cards, they would definitely continue to buy nappies at the supermarket, because of the convenience of using credit cards for purchases.

A final 14 mothers indicated that they would prefer to buy known brands of nappies, as they would be more reliable.

In terms of price sensitivity, most mothers (68) in this group have indicated that price is very important. This is not surprising considering the low income levels of most Nakaseke mothers.

However, ALL mothers also indicated that locally made nappies would also have to perform as well (fasten easily and not leak) as other, branded nappies such as Buggies.

**Advertising and Promotion**

It is important for a local operation such as this to make sure that the word spreads and that many people are aware of the services available. However, due to the low-cost nature of the nappies being produced, not a lot of money will be available for advertising and promotion.

A number of low-cost promotion opportunities have been identified:

<table>
<thead>
<tr>
<th>Advertising Posters</th>
<th>Two students who frequent the Nakaseke Community Centre have offered to layout and design two posters. These posters (one A4 and one A3) will promote the low-cost nappies that are available.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tshepo Msimang (also a local community worker) is studying marketing and Miemie Nkumalo is studying Graphic Design. The posters will also carry a HIV / AIDS awareness message as a community service.</td>
</tr>
<tr>
<td></td>
<td>At least 75 of these posters (Hewlett Packard in Bordsburg has kindly offered to print 150 of these posters) will be initially distributed and hung-up in local community halls, church halls, the Nakaseke Library and school notice-boards.</td>
</tr>
</tbody>
</table>
Importantly, these will also be placed in doctors surgeries and the local clinic.

**Business cards**

Cards will be printed to match the above poster. They will be put on the posters (that will contain a card slot which holds 20-25 business cards) and left in the same institutions as outlined above.

**Newspaper adverts**

The local community newspaper (the “*Nakaseke Weekly News*”) carries free classified adverts and an advert will be placed weekly in this column.

In addition, a paid-for advert will be placed once a month in the Community Health section of the paper.

**Press Releases**

Mary Pelo will be responsible for writing and sending a press release / article for insertion to the “*Nakaseke Weekly News*”; as well as the *Johannesburg Start* newspaper on issues around childbirth and the raising of babies in poorer communities.

**Internet**

It is recognised that not many people in the Nakaseke have access to, nor use the Internet. However, where possible, “advertorials” will be posted on web-sites that cover Nakaseke Community issues - a good example being the Nakaseke Community Centre web site.

These “advertorials” will include the baby health articles previously written by Mary Pelo for local newspapers covering childbirth and the raising of babies in poorer communities.

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**Premises**

An agreement has been reached with the Nakaseke Community Centre that for between 6 and 9 months, *Simply Perfect Nappies* can use premises at the centre (up to 25 square metres of space) to base its operations. In this way, the new business will have access to other resources such as copiers, fax etc (to be paid for at marginal cost).

However, after this initial period the company will have to move to commercial premises.
It is not important for *Simply Perfect Nappies* to be close to its customers, but for the convenience of the Members of the company, most of which do not have access to private transport, it is important that the business remain in the vicinity of Nakaseke.

An initial search has located premises that will become vacant along Unity Road (in one of the Industrial Units), where up to 50 square metres can be made available from January 2006. These premises will cost R15 per square metre. Security is covered in this amount, but not utilities such as electricity, water and cleaning.

## Personnel

| **Management** | The company will be under the direct supervision of each of the nine CC Members. However, Mary Pelo, as majority shareholder will take responsibility for the administrative and marketing aspects of the business. She has worked previously with an Accounting company (8 years) as a Administration Clerk. |
| In anticipation of *Simply Perfect Nappies* being established, she is taking a Diploma course in Basic Book-keeping and Business Administration at a local private college. |
| The nine members of the CC will also be the main employees of *Simply Perfect Nappies*. |
| Of the nine members, seven are married and two are single. Of the seven that are married, four have husbands that have other means of income. The two single women live with their families. |

| **Staff** | The company will not initially take on additional employees. During the initial stages, if there is a need, family members will come in to help out - as long as income from nappy sales can support this. |
| It is envisaged that as the Company establishes itself, additional staff will be employed as cleaners as well as to expand the manufacturing and sales team (who will operate on a commission basis) if demand requires this. |
### Equipment and Vehicles

<table>
<thead>
<tr>
<th>Equipment</th>
<th>The main piece of equipment required for <em>Simply Perfect Nappies</em> is a nappy-making machine, which will cost R45 000. Over and above start-up raw materials for the nappies, other small equipment, such as tables and chairs, kettle etc will be sourced second-hand where possible. Finally, a telephone will be required with which to contact suppliers as well as receive orders from customers.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles</td>
<td>The business does not require a vehicle. Supplies will be delivered to the premises. Nappies will be distributed by the seven Members who will be responsible for their own transport (given the compact size of the township, nappies will be supplied to customers by using taxi’s and walking). If the volume of nappies supplied does increase to such an extent that a delivery vehicle is warranted, this will be assessed at that time, based on a financial justification.</td>
</tr>
</tbody>
</table>

### Suppliers

Mary Pelo has spoken to the suppliers of the nappy machine, who also supply kits to make up the nappies (“Boellermans” of Unity Road,) which will be the main supplier to the business.

This company supply the nappy-making machine as well as the raw materials - ie polyethylene; glue; elastic; tapes and stickers.

They have indicated that they will deliver once a week.

Further, based on satisfactory credit references (which are available); they are prepared to eventually offer 30-days credit on purchases. This is not reflected in the cash-flow forecast as they have also indicated that the 30-day credit line would come into effect only after four months of trading - and these (cash) orders have been placed and paid for satisfactorily.
Legal Aspects

As Simply Perfect Nappies will be initially operating from the Nakaseke Community Centre, and later from commercial premises along Unity Road, planning permission is not required.

Simply Perfect Nappies will operate as a legal company entity - in this case, a Close Corporation (CC) which will be registered at the Department of Trade and Industry.

A book-keeper will be engaged once a month to maintain the books. This will be used for auditing purposes, and to ensure that (given the number of members involved) there is transparency in how the money is handled.

Annual accounting will be provided by the same company that will do the book-keeping.

Legal services will be obtained on a services rendered basis from Naledi Legal Services of Bordsburg.

Timescales

Assuming that financing can be secured in time; it is planned to start manufacture and sales on 1\textsuperscript{st} June 2005, giving a 6-moth lead in time for establishment of the business and the installation of equipment.

The nappy making machine can be delivered and installed within three weeks of order.

Finances

<table>
<thead>
<tr>
<th>Pricing</th>
<th>The raw material cost from the suppliers are:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Medium nappy</td>
</tr>
<tr>
<td></td>
<td>Large nappy</td>
</tr>
<tr>
<td></td>
<td>Commission on production / sales per nappy to each CC Member are:</td>
</tr>
<tr>
<td></td>
<td>Production team</td>
</tr>
<tr>
<td></td>
<td>Sales team</td>
</tr>
</tbody>
</table>
Thus, the cost per nappy is:

<table>
<thead>
<tr>
<th>Type</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium nappy</td>
<td>R1.31</td>
</tr>
<tr>
<td>Large nappy</td>
<td>R1.58</td>
</tr>
</tbody>
</table>

For calculation purposes an average cost of R 1.57 per nappy is supposed. The Cash-Flow forecast attached to this Business Plan assumes that nappies will sell for R1.85 per nappy (for simplicity both medium and large nappies are calculated at this price. In reality, large nappies will sell for R2.00)

At a selling price of R1.85, and assuming a daily sales volume of 1500 nappies, then the income accruing to each of the members is as follows:

**Production team**

R2 700 per month \((2000/3 \times R 0.20 \times 30)\).

**Selling team**

R3 536 per month \((2000/7 \times R 0.65 \times 30)\)

In addition, the Company - *Simply Perfect Nappies CC* will accumulate an after tax profit of R133 446 over the first year of trading.

**Cash-Flow Forecast**

The attached cash-flow forecast shows an annual turnover in the first year of R971 250 of which R658 020 represents gross profit.

It is expected that, by the second year of operation, turnover will have increased by 25% to approximately R1 214 062.

In all months, excluding month one of trading where nappy sales are assumed to be 67% of the normal sales volume, cash flow remains positive. At financial year-end cash on hand should be a healthy R154 279!

**Risk-assessment**

It is Mary Pelo’s opinion that the Nakaseke market can sustain a business such as *Simply Perfect Nappies CC*.

Mary Pelo estimates the total potential sales in Nakaseke township to be around 30 000 nappies per day (assuming approximately 20 000 babes in the community at any one time). The cash-flow forecast is based on a sales turnover of 45000 nappies per month.
Therefore, even if Amanda’s Reject Nappies sells more aggressively in the township, there is still room for both to make sales to this market.

If sales were 30% less than forecast, Simply Perfect Nappies would still survive, though in a more difficult trading environment. The cash-flow would still be positive for most of the year and much smaller profit would, of course, be realised.

Should Mary Pelo become ill, there are still 9 other members to continue the business.

**Financial Requirements**

A R27 500 grant has been applied for from the Poverty Alleviation Fund.

A further R25 000 will be applied for as a bank loan (a 3-year loan repayable at 15% interest - prime plus 4%).

**Professional Fees**

Book-keeping will be sourced on a monthly retainer basis. Accounting and Legal support will be outsourced externally as and when these services are needed.
## Appendices

### Projected Balance Sheet as at end of first financial year

**Capital Employed**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner's Capital</td>
<td>10000</td>
</tr>
<tr>
<td>Accumulated profits after tax</td>
<td>13346</td>
</tr>
<tr>
<td><strong>Note1:</strong> See Projected Income Statement</td>
<td></td>
</tr>
<tr>
<td>Donor Funding Employed</td>
<td>27500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>170946</strong></td>
</tr>
</tbody>
</table>

**Employment of Capital**

**Assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nappy Making Machine</td>
<td>30000</td>
</tr>
<tr>
<td><strong>Note2:</strong> Assets reflected at book value, i.e written off over 3 yrs.</td>
<td></td>
</tr>
<tr>
<td>Start-up Equipment</td>
<td>10000</td>
</tr>
<tr>
<td><strong>Note2:</strong> Assets reflected at book value, i.e written off over 3 yrs.</td>
<td></td>
</tr>
<tr>
<td>Sundry Capital Purchases</td>
<td>1667</td>
</tr>
<tr>
<td><strong>Note2:</strong> Assets reflected at book value, i.e written off over 3 yrs.</td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>154279</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>195946</td>
</tr>
</tbody>
</table>

**Liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Loan</td>
<td>25000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>25000</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>170946</td>
</tr>
</tbody>
</table>
### Projected Income Statement for the first financial year

**Turnover** 971250  
**Minus** Cost of Sales 313200  
**Gross Profit** 658050  

**Expenditure** 467413  

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertise/promotion</td>
<td>1000</td>
</tr>
<tr>
<td>Scrapping Allowance</td>
<td>20833</td>
</tr>
<tr>
<td>Bank charges</td>
<td>1100</td>
</tr>
<tr>
<td>Insurance</td>
<td>5000</td>
</tr>
<tr>
<td>Rent</td>
<td>6400</td>
</tr>
<tr>
<td>Cleaning</td>
<td>0</td>
</tr>
<tr>
<td>Salaries / Commission</td>
<td>394200</td>
</tr>
<tr>
<td>Electric / water</td>
<td>6400</td>
</tr>
<tr>
<td>Loan repayments</td>
<td>11280</td>
</tr>
<tr>
<td>Legal &amp; professional</td>
<td>3600</td>
</tr>
<tr>
<td>Motor - fuel</td>
<td>0</td>
</tr>
<tr>
<td>Motor - other</td>
<td>0</td>
</tr>
<tr>
<td>Other expenses</td>
<td>6000</td>
</tr>
<tr>
<td>Postage</td>
<td>0</td>
</tr>
<tr>
<td>Repairs / maintenance</td>
<td>1800</td>
</tr>
<tr>
<td>Staff salaries</td>
<td>0</td>
</tr>
<tr>
<td>stationary / printing</td>
<td>2000</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>0</td>
</tr>
<tr>
<td>Sundries</td>
<td>3000</td>
</tr>
<tr>
<td>Tax payments</td>
<td>0</td>
</tr>
<tr>
<td>Telephone /fax</td>
<td>4800</td>
</tr>
<tr>
<td>Travel &amp; subsistence</td>
<td>0</td>
</tr>
</tbody>
</table>

**Net profit before tax** 190637  
**Provision for SA Taxation (30%)** 57191.1  
**Net profit after tax** 133446
## Cash Flow Forecast: Simply Perfect Nappies

### Rented accommodation
- **Sales**
  - June: 55500
  - July: 83250
  - August: 83250
  - September: 83250
  - October: 83250
  - November: 83250
  - December: 83250
  - January: 83250
  - February: 83250
  - March: 83250
  - April: 83250
  - May: 83250
  - **Totals:** 971250

- **Rented accommodation**
  - **Bank loans:** 25000
  - **Owners Capital:** 10000
  - **Donor funding:** 27500
  - **Other money in:** 0
  - **Total cash in:** 118000

### CASH OUT
- **Advertise/promotion:** 1000
- **Bank charges:** 1100
- **Insurance:** 5000
- **Rent:** 6400
- **Cleaning:** 0
- **Salaries / Commission:** 394200
- **Electric / water:** 6400
- **Loan repayments:** 11280
- **Legal & professional:** 3800
- **Motor - fuel:** 0
- **Notor - other:** 0
- **Other expenses:** 6000
- **Postage:** 0
- **Repairs / maintenance:** 1800
- **Staff salaries:** 0
- **Stationery / printing:** 2000
- **Raw material:** 313200
- **Subscriptions:** 0
- **Sundries:** 62500
- **Tax payments:** 57191
- **Telephone /fax:** 4800
- **VAT:** 0
- **CAPITAL EXP.:** 62500
- **Total cash out:** 879471

### Net cash flow
- **Opening balance:** 0
- **Closing balance:** 0
- **Net cash flow:** -37431

### Unit cost
- **Material cost:** 0.58
- **Production team - Commission:** 0.18
- **Selling team - Commission:** 0.55
- **Unit cost:** 1.31

### Table
<table>
<thead>
<tr>
<th></th>
<th>Medium nappies</th>
<th>Large nappies</th>
<th>Inc. tot</th>
<th># ppl</th>
<th>Inc per person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material cost</td>
<td>0.58</td>
<td>0.85</td>
<td>8100</td>
<td>3</td>
<td>R 2,700</td>
</tr>
<tr>
<td>Production team - Commission</td>
<td>0.18</td>
<td>0.18</td>
<td>24750</td>
<td>7</td>
<td>R 3,536</td>
</tr>
<tr>
<td>Selling team - Commission</td>
<td>0.55</td>
<td>0.55</td>
<td><strong>32850</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>