

What are the 3 main reasons you want to start a business?



- 1
- 2
- 3

Think of a successful business you know.  
**is it successful?**

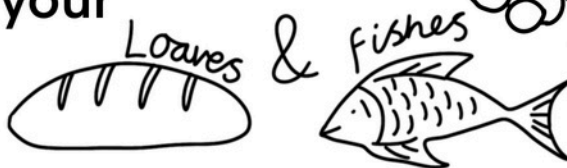
WHY



Businesses that succeed have 4 things in common. <sup>i)</sup>	What qualities do you need to run a successful business?	What 3 things must an entrepreneur do? <sup>ii)</sup>
<ul style="list-style-type: none"> <li>* </li> <li>* </li> <li>* </li> <li>* </li> </ul>	<ul style="list-style-type: none"> <li>* </li> <li>* </li> <li>* </li> <li>* </li> <li>* </li> </ul>	<ul style="list-style-type: none"> <li>* </li> <li>* </li> <li>* </li> </ul>

Who could you partner with to set up a business?

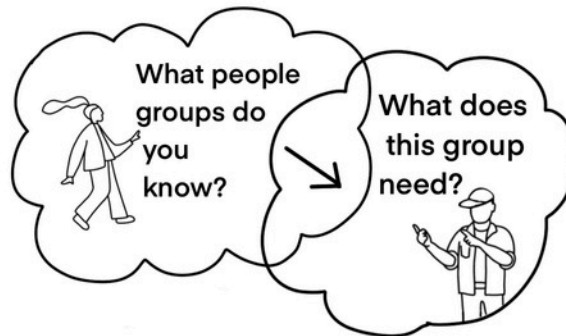
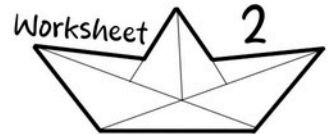
What are your



**Start** small **Learn,**  
**improve, E x p a n d**

<sup>i)</sup> make or do something people value, do it better than whatever is currently available, generate an income greater than the cost, and look after the money leftover.  
<sup>ii)</sup> spot opportunities, select the best opportunity, stick it out until it succeeds.

# Choosing the right business for you - *make lists!*



Look at what appears on more than one cloud and choose your top 3 ideas:

1.

2.

3.

Check your ideas with friends and family - what do they think?  
Is God guiding you in any particular direction?

What is your  
best idea?

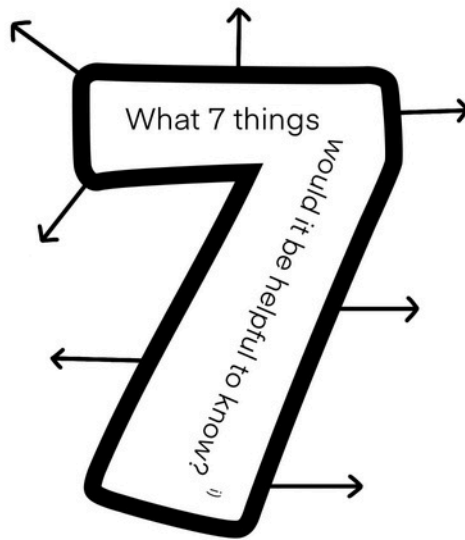


## Key Points:

Be different! How is your idea different  
from other businesses?

Add value! How can you make your offering more valuable to customers?

# Competitor Research



How can you find out those things? ii)

\*

\*

\*

## Customers

Who will your best customers be?

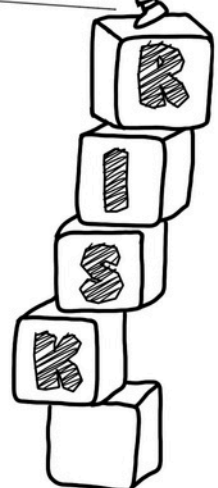
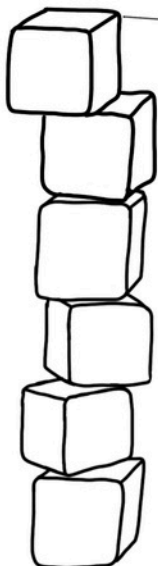
What is important to them?

How much will they pay?

How will you find them?



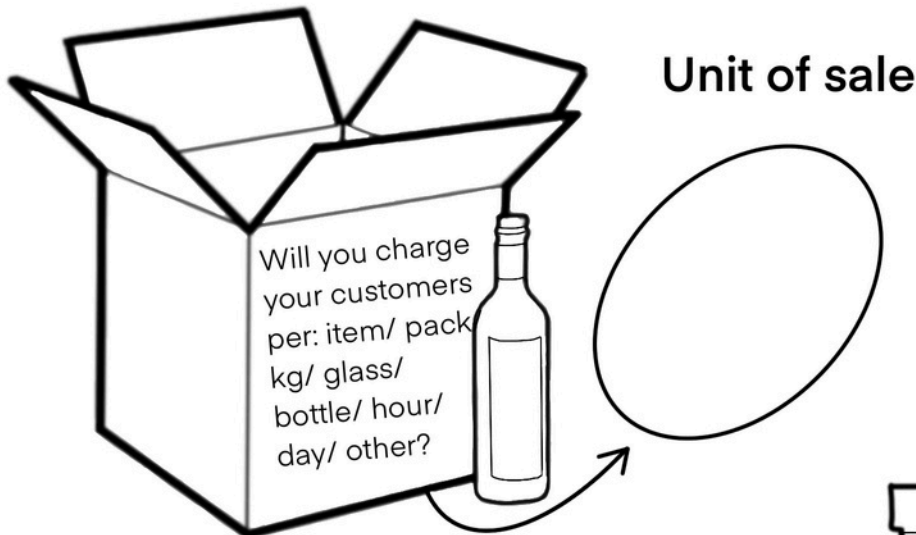
What are the main risks?



i) Who? What do they offer? Prices? How do they find customers? Strengths? Weaknesses?

iii) Visit, ask friends, ask their customers.

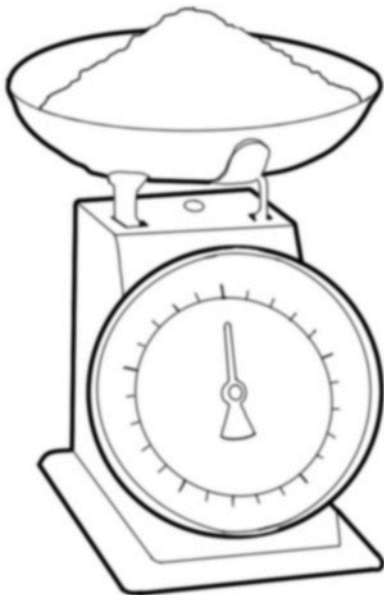
STEP	Equipment required	People/skills required	How to be better?	How to be cheaper?	Initial cost
Total set up cost					\$



## Operating Costs

**FIXED** costs are costs that don't change however much you produce or sell e.g. rent, internet costs, staff. *What will your fixed cost be per month?*

- 1
- 2
- 3



**VARIABLE** costs are the costs that increase in line with what you produce or sell, e.g. ingredients for a chapati maker, chicken feed for a poultry business, any sales commission, any delivery costs, labour if you're paying outworkers for each item made rather than per hour. *What are your variable costs per unit of sale?*

- 1
- 2
- 3

What are your **REALISTIC** variable costs? Will some sales be lost because the food goes stale, the product breaks, or customers forget to arrive for their appointment? *What is your adjusted "realistic" total variable cost per unit of sale?*

.....per.....

## What other costs do you need to include?

- What income do you have to take from the business to live on?
- Do you need to repay any loans?
- Will you need to pay any taxes?
- Do you need to set aside money to replace equipment when it wears out?

### Uganda dress making example: cash flow forecast

<i>Set up cost</i>	
<i>Selling price</i>	<i>Per.....</i>
<i>Variable Cost</i>	<i>Per.....</i>
<i>Fixed cost</i>	
<i>Loan</i>	



Period (month or week):	1	2	3	4	5	6	7	8	9
Cash c/f									
Loan									
Set up cost									
Sales (volume)									
Revenue (\$ or local currency)									
Variable cost									
Fixed cost									
Cash movement this period									
Cash b/f									

### How can I be more profitable?

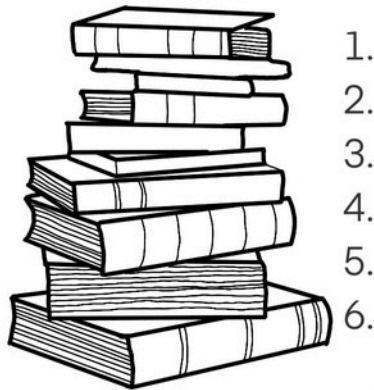
- Other income streams?
- Sell more?
- Higher price?
- Lower costs?
- Smaller loan?

What will be your  
**Business Name?** .....

Where will start-up funding come from?



What records do  
 you need to keep?



- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

How will you grow your business?

- 1.
- 2.
- 3.



## Top Tips

1. Do not get your.....money mixed up with your.....money.
2. Keep your..... records up to date.
3. Keep control of your.....
4. Be nice to .....
5. Treat.....and.....with respect.
6. Use some of your.....and.....to find ways to grow your business.
7. It will always take longer/ shorter and cost more/ less than you think.
8. Do something that adds..... to your customers.
9. Do something that is.....from others.
10. Proceed with.....and.....



<b>Business name</b>	
<b>Name and contact details</b>	
<b>Description of the business</b>	
<b>Purpose of business</b>	
<b>Target customers</b>	
<b>Competitors and other market research</b>	
<b>How we will be different</b>	
<b>How we will find customers</b>	
<b>Premises and equipment needed</b>	
<b>Me and my team</b>	
<b>Key risks and actions to minimise risk</b>	
<b>Financials</b>	(Worksheet 6)
<b>Funding need / source</b>	