Citrus Business Management Programme

Module 3

Plan Your Business: Financial Aspects

Formative PoE Guide

P.O. Box 461, Hillcrest, 3650
(031) 765-3410

Content originator:
Scientific Roets (Pty) Ltd, P.O. Box 461, Kokstad, 4700

Additional content and adaptation:
Citrus Academy

Learning programme and material developer:
Carol Harington (Rapid Skills Warehouse)

Contents

Assessor Orientation

Background Information

The main theme of this module is guidance for entrepreneurs in the financial considerations and planning aspects that needs to be taken into account when starting or running an emerging business.

The module will cover aspects such as:

- Determining business viability
- Step-by-step guidance for business planning
- Costing and pricing concepts and decisions

This module contributes to the exit level outcome and associated criteria:

3. Demonstrate an understanding of basic economics within a market economy.
   - 3.1 An understanding is demonstrated of new venture financing sources and opportunities.
   - 3.2 An understanding is demonstrated of the principles of micro and macroeconomics.
   - 3.3 Potential threats and opportunities within the economic environment are identified for future business decision making.
   - 3.4 An understanding is demonstrated of business competitiveness.

Range: Business competitiveness includes but is not limited to factors such as inflation, exchange rates, interest rates, economic indicators and competition.

This module comprises of 3 unit standards and attracts 19 credits.

This module is aligned to unit standards:

Viability	114596	Research the viability of new venture ideas / opportunities	C	4	5
Business planning	114592	Produce business plans for a new venture	C	4	8
Costing and Pricing	263455	Apply the principles of costing and pricing to a business venture	C	4	6

Unit Standard Information

Research the viability of new venture ideas/opportunities

<table>
<tr><td>SAQA US ID</td><td colspan="4">UNIT STANDARD TITLE</td></tr>
<tr><td>114596</td><td colspan="4">Research the viability of new venture ideas/opportunities</td></tr>
<tr><td colspan="5">ORIGINATOR</td></tr>
<tr><td colspan="5">SGB Generic Management</td></tr>
<tr><td colspan="5">PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY</td></tr>
<tr><td colspan="5">-</td></tr>
<tr><td colspan="3">FIELD</td><td colspan="2">SUBFIELD</td></tr>
<tr><td colspan="3">Field 03 - Business, Commerce and Management Studies</td><td colspan="2">Generic Management</td></tr>
<tr><td>ABET BAND</td><td>UNIT STANDARD TYPE</td><td>PRE-2009 NQF LEVEL</td><td>NQF LEVEL</td><td>CREDITS</td></tr>
<tr><td>Undefined</td><td>Regular-Fundamental</td><td>Level 4</td><td>NQF Level 04</td><td>5</td></tr>
<tr><td colspan="2">REGISTRATION STATUS</td><td>REGISTRATION START DATE</td><td>REGISTRATION END DATE</td><td>SAQA DECISION NUMBER</td></tr>
<tr><td colspan="2">Reregistered</td><td>2015-07-01</td><td>2018-06-30</td><td>SAQA 10105/14</td></tr>
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<tr><td colspan="2">2019-06-30</td><td colspan="3">2022-06-30</td></tr>
</table>

In all of the tables in this document, both the pre-2009 NQF Level and the NQF Level is shown. In the text (purpose statements, qualification rules, etc), any references to NQF Levels are to the pre-2009 levels unless specifically stated otherwise.

This unit standard does not replace any other unit standard and is not replaced by any other unit standard.

PURPOSE OF THE UNIT STANDARD

This Unit Standard is aimed at learners who wish to identify and screen new ideas and/or opportunities with the intention of establishing and/or participating in a new venture.
The qualifying learner is capable of finding information about different industry sectors; explaining the purpose of potential new ventures; identifying characteristics of successful ventures and evaluating new venture opportunities.
The qualifying learner will be able to:
- Identify and assess own business ideas/opportunities for a new venture.
- Analyse the viability of a selected idea/opportunity against specific screening variables.
- Research the potential of a particular idea/opportunity as a new venture.
- Analyse a range of risks associated with a new venture.
- Evaluate new venture ideas/opportunities based on research findings.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

Learners accessing this qualification will have demonstrated competence in Computer Literacy, Mathematical Literacy and Communications at NQF level 3 or equivalent.

UNIT STANDARD RANGE

• Risks include demand, competition, capability to produce/service at an economic and marketable price, level of capital require.
• Failure factors include capital management, credit management, technical ability, market access and size, marketing/selling skills, management capability, business growth, personal life conflict.
• Evaluation refers to the size and type of market segment, product range, sources of supply, physical facilities, essential services, financial resources, return on investment, staffing needs, technology requirements, legal/regulatory compliance, growth potential.

Produce business plans for a new venture

SAQA US ID	**UNIT STANDARD TITLE**			
114592	Produce business plans for a new venture			
ORIGINATOR				
SGB Generic Management				
PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY				
-				
FIELD			**SUBFIELD**	
Field 03 - Business, Commerce and Management Studies			Generic Management	
ABET BAND	**UNIT STANDARD TYPE**	**PRE-2009 NQF LEVEL**	**NQF LEVEL**	**CREDITS**
Undefined	Regular-Fundamental	Level 4	NQF Level 04	8
REGISTRATION STATUS		**REGISTRATION START DATE**	**REGISTRATION END DATE**	**SAQA DECISION NUMBER**
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PURPOSE OF THE UNIT STANDARD

This Unit Standard has as its core purpose to equip learners with the necessary knowledge and skills to produce business, financial and/or operations plans for implementing a new venture. It will also address the economic and administrative issues that prevent the starting of a new venture and contribute to the inability of an entrepreneur to sustain a new venture

The qualifying learner will be able to:

- Identify, gather and analyse the relevant information needed to compile a business plan.
- Formulate an ethical framework for the operational plans of a new venture.
- Establish and prioritise business, financial and/or operational goals and objectives for a new venture.
- Design and present business, financial and/or marketing plans based on a budget for a new venture.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

Learners accessing this qualification will be competent in Computer Literacy, Mathematical Literacy and Communications and NQF level 3 or equivalent.

UNIT STANDARD RANGE

- Legal business types for new ventures.
- Legislation applicable to the sector in which the new venture is situated.
- Legal registrations include PAYE, VAT, UIF, RSC, COIDA, Skills Development Levy and Industry registrations.
- Business, financial, marketing and/or operations plans.
- Elements of a business plan.
- Codes of ethics and conduct.

Apply the principles of costing and pricing to a business venture

SAQA US ID	**UNIT STANDARD TITLE**			
263455	Apply the principles of costing and pricing to a business venture			
ORIGINATOR				
Task Team - New Venture Creation				
PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY				
-				
FIELD			**SUBFIELD**	
Field 03 - Business, Commerce and Management Studies			Generic Management	
ABET BAND	**UNIT STANDARD TYPE**	**PRE-2009 NQF LEVEL**	**NQF LEVEL**	**CREDITS**
Undefined	Regular	Level 4	NQF Level 04	6
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This unit standard replaces:

US ID	Unit Standard Title	Pre-2009 NQF Level	NQF Level	Credits	Replacement Status
114594	Apply the principles of costing and pricing to a business venture	Level 4	NQF Level 04	6	Complete

PURPOSE OF THE UNIT STANDARD

This Unit Standard is for learners who are required to applying the principles of costing and pricing in determining profit margins for a new venture. The Unit Standard will assist the learner in determining the future profitability by establishing whether the costs involved will generate sufficient profit to justify the launching of the new venture.

Learners credited with this unit standard will be able to:

- Explain the criteria of a price setting policy for a new venture.
- Analyse internal and external factors that impact upon pricing decisions.
- Demonstrate an understanding of the relationship between costs, revenue and profits.

LEARNING ASSUMED TO BE IN PLACE AND RECOGNITION OF PRIOR LEARNING

It is assumed that the learner has the following knowledge and skills:

- Mathematical Literacy at NQF Level 3.

UNIT STANDARD RANGE

N/A

information

Unit Standard References

The SAQA registered unit standards associated with this learning program are included in this guide for your information.

Please do not hesitate to ask the facilitator or assessor to explain anything that you do not understand or need help with.

Associated Qualification

This unit standard forms part of the learner support materials for the following qualification:

Further Education and Training Certificate: New Venture Creation

<table>
<tr><th>SAQA QUAL ID</th><th colspan="4">QUALIFICATION TITLE</th></tr>
<tr><td>66249</td><td colspan="4">Further Education and Training Certificate: New Venture Creation</td></tr>
<tr><th colspan="5">ORIGINATOR</th></tr>
<tr><td colspan="5">Task Team - New Venture Creation</td></tr>
<tr><th colspan="3">PRIMARY OR DELEGATED QUALITY ASSURANCE FUNCTIONARY</th><th colspan="2">NQF SUB-FRAMEWORK</th></tr>
<tr><td colspan="3">SERVICES - Services Sector Education and Training Authority</td><td colspan="2">OQSF - Occupational Qualifications Sub-framework</td></tr>
<tr><th>QUALIFICATION TYPE</th><th colspan="2">FIELD</th><th colspan="2">SUBFIELD</th></tr>
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<tr><td>Undefined</td><td>149</td><td>Level 4</td><td>NQF Level 04</td><td>Regular-Unit Stds Based</td></tr>
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This qualification replaces:

Qual ID	Qualification Title	Pre-2009 NQF Level	NQF Level	Min Credits	Replacement Status
23953	Further Education and Training Certificate: New Venture Creation (SMME)	Level 4	NQF Level 04	162	Complete

Learner Details

First name:	
Surname:	
ID number:	
Mobile phone contact number:	
E-mail address:	
Postal address:	
Dates on which you completed this formative PoE guide:	
Declaration:	I hereby confirm that: • I received the assessment plan and schedule. • I understand my rights in terms of special needs, re-assessment, feedback and appeals against assessment decisions. • I completed the formative assessment independently without assistance from anyone else.
Date:	
Place:	
Signature:	
Signature of Assessor:	

information

Important

Please remember that this document is seen as legal evidence of your competence. It is very important that you sign and date each section where requested. Your signature confirms that this work is your own and that you have not committed fraud in any way.

Learner Assessment Plan and Schedule

What?

What is it that I will be assessed in?

- You will be assessed in the outcomes for unit standards 114596, 114592 and 263455.

What will be expected of me during formative assessment?

- You have to complete ALL the activities in the formative portfolio of evidence guide during the course of the learning.
- If you are assigned a teamwork or paired practice activity, it is your responsibility to attach key notes, a copy, a picture or a sample of the evidence produced by your team. (Please do NOT leave blank activities).
- Please write in pen at all times.
- Please make sure that you sign and date the pages where requested.

What will be expected of me during summative assessment?

- Please work alone to complete these activities and questionnaires. If you copy work from others or let them copy your work, you will automatically be declared not yet competent.
- Please do NOT leave blank activities.
- Please write in pen at all times.
- Please make sure that you sign and date the pages where requested.

Where?

Where will the assessment take place? (Venue)

- All assessments will take place at the training centre in the training room under supervision of the evidence collecting facilitator.

Who?

Who is the assessor and how can I contact the assessor if something unforeseen happens?

- The assessors are Zama Madikizela and Mpho Mazubane.
- You can contact them at the Scientific Roets office on (039) 727-1515 or via email: zama@scientificroets.com or mpho@scientificroets.com.

When?

On which date and at what time will the assessment take place or should my formative PoE be handed in?

- The formative assessment activities are completed during the presentation of the learning programme module.
- Your completed formative portfolio of evidence has to be handed in on Friday of this training week at the close of the day.

- The summative assessments take place after the completion of each chapter.
- The facilitator will put up a schedule of times for summative assessments in the classroom.
- Please check it carefully and make sure you prepare by revising the information in your formative PoE and by completing the self-assessment exercise in your learner workbook.

How?

How will I be assessed, and what kinds of assessment instruments are included in this PoE?

Formative assessment includes a range of team and individual learning activities as follows:

- Section 1 Formative Assessment Activities
  - F114596.1 – Group Discussion and Conclusion Worksheet
  - F114596.2 – Paired Research Analysis and Report
  - F114596.3 – Team Research Analysis and Presentation
  - F114596.4 – Team Discussion, Conclusion and Mind Map
  - F114596.5 – Team Conclusion and Rating Scale
- Section 2 Formative Assessment Activities
  - F114592.1 – Team Research Questionnaire, Brainstorm, Conclusion and Class Presentation
  - F114592.2 – Team Class Discussion and Key Notes, Mind Map and Key Notes
  - F114592.3 – Team Goal Setting Analysis Worksheet
  - F114592.4 – Paired Planning Session and Framework Development
- Section 3 Formative Assessment Activities
  - F263455.1 – Class Discussion, Team Poster and Presentation
  - F263455.2 – Team Research Diagram and Presentation with Key Notes
  - F263455.3 – Team Worksheet

Summative assessment includes the following assessment instruments:

- Section 1 Summative Assessment Activities
  - S114596.1 – Personal Analysis Questionnaire
  - S114596.2 – Case Study Analysis Questionnaire and Recommendation Report
  - S114596.3 – Personal Research Report
  - S114596.4 – Knowledge Questionnaire
  - S114596.5 – Personal Conclusion and Rating Scale and Evaluation Report
- Section 2 Summative Assessment Activities
  - S114592.1 – Knowledge Questionnaire
  - S114592.2 – Knowledge Questionnaire
  - S114592.3 – Knowledge Questionnaire
  - S114592.4 – Work Sample

- Section 3 Summative Assessment Activities
  - S263455.1 – Knowledge Questionnaire
  - S263455.2 – Work Sample and Reflective Knowledge Questionnaire
  - S263455.3 – Case Study

What do I need?

For formative assessment you will need:

- Your formative PoE guide
- Your learner guide
- A dictionary
- Access to your learning team members
- Access to the internet
- Stationery
- Isometric paper
- A protractor and callipers

For your summative assessment you will need:

- Your summative PoE guide
- A dictionary
- Access to the internet
- Stationery
- Isometric paper
- A protractor and callipers

Who else may be involved?

Are there other people who need to be involved in this assessment process?

For the formative assessment, you may work with the other members of your learning team.

For the summative assessment the following people will form part of the process:

The evidence collecting facilitators:

- Their role is to guide and support you in the collection of the evidence and to prepare you for summative assessment.

The assessor:

- The assessor will evaluate all the formative and summative evidence of assessment that you include in your portfolios and determine if it shows that you are competent in the outcomes of the unit standard(s).
- He / she will also give you feedback on your competence and guide you in case you need to submit additional evidence of your competence.

The moderator:

- The moderator will do spot checks on evidence and make sure that the assessment process has been completed correctly.

How will we know if the process is complete?

What will happen once we have completed this assessment process and the workbook has been handed in?

- The portfolios are submitted to the assessor for marking and evaluation.
- During the week when you are at home you will receive feedback via telephone call, SMS or email from the assessor.
- On your first day back in class, you will receive the formal written feedback document from the assessor. You need to read it carefully and sign it off. It is important to complete the supplementary activities or re-assessment as communicated by the assessor to be able to reach competence.
- The process is only complete after you have received feedback and a final competence declaration from the assessor.

What if?

What if I am not ready to be assessed?

- If you feel that you are not ready to be assessed, you should contact the evidence collecting facilitator to make alternative arrangements.
- You should also inform the assessor via email of the reasons why you feel that you are not ready for assessment, and confirm what alternative arrangement has been agreed.
- Attach a copy of your written request to the first page of this portfolio of evidence.

What if I have a special need, for example, a translator or I struggle to write?

- If you have a special need (you need a translator or you struggle to write fast or you are living with a disability), then it is important that you inform the evidence collecting facilitator and the assessor at the BEGINNING of the learning week in writing, please.
- Attach a copy of your written request to the first page of this portfolio of evidence.

What if I get sick on the day of assessment?

- If you are sick on the day of assessment, you should contact the evidence collecting facilitator to make alternative arrangements.
- You also need to submit a doctor’s note.
- You should also inform the assessor via email of the fact that you were sick and confirm what alternative arrangement has been agreed.
- Attach a copy of your written request and the doctor’s note to the first page of this portfolio of evidence.

What if I am not happy with the assessor’s decision?

- You have the right to appeal the assessor’s competence decision.
- The appeals procedure and application form is available from the evidence collecting facilitator on request.

Section 1: Formative Assessment Activities

F114596.1 – Group Discussion and Conclusion Worksheet

- ✓ Work as a team to complete this activity.
- ✓ Analyse the questions, statements and choices given and complete the worksheet.
- ✓ Time to spend on this activity: 1 hour.

Questions:

1. There are many business opportunities associated with the citrus industry. If you could choose to start your own business from the list below, which would you choose?
   - ☐ Grower
   - ☐ Packhouse owner
   - ☐ Crop protection products supplier
   - ☐ Packaging materials supplier
   - ☐ Marketing agent
2. Explain your choice of potential enterprise.

3. Give examples of two possible advantages of this choice of business to the owner.

4. Give examples of two possible disadvantages of this choice of business to the owner.

5. If you had to do more research to get information about this kind of business, where would you start or whom would you ask?

6. Discuss the following essential features and elements of your choice of business as a team, and then draft a mind map of your key conclusions:

   6.1. How big is the market demand for this kind of business and its associated products or services in your geographical area?

   6.2. How many other people are running a similar business in your geographical area?

   6.3. If you had to rate your chances of getting customers for this type of business as a point out of 10, what score would you give it? Explain your reasoning.

6.4. What kind of assets would you need to invest in to launch this type of venture?

6.5. How much money do you think you will need to purchase these assets?

6.6. How much help do you think you would need from outsiders, mentors, consultants or advisors to get this kind of business running?

F114596.2 – Paired Research Analysis and Report

- ✓ Work in pairs to complete this activity.
- ✓ Consider the type of venture your team chose in the first activity above.
- ✓ Now research the idea or opportunity by reading trade journals and holding discussions with subject matter experts from the citrus sector.
- ✓ Use the research questions and / or statements to guide you.
- ✓ Time to spend on this activity: 3 hours.

Questions:

1. What kinds of skills, knowledge and attributes would the owner of such a type of business need in order to operate the business successfully?

2. What kind of market conditions may influence the success or failure of this kind of business?

3. How many competitors are currently in the marketplace? Is there a gap anywhere in the market?

4. What kinds of technology and / or other technical resources would you need in order to operate this kind of business?

5. Now compile a brief 1 – 2 page report on your findings and conclusions.

F114596.3 – Team Research Analysis and Presentation

- ✓ Work as a team to complete this activity.
- ✓ Your team is considering starting a business as a labour broker that will supply staff for the upcoming harvest.
- ✓ Now research the business of labour-broking and how it generally works within the citrus sector by interviewing existing labour brokers and / or farm managers or foreman in your local area.
- ✓ Use the following research questions and / or statements to guide your team in preparing a 5 – 10 minute class presentation.
- ✓ Make key notes on your team's findings and key-points for the class presentation.
- ✓ Time to spend on this activity: 3 hours.

Questions:

1. What kind of person would be a good entrepreneur for a labour-broking business?

2. What skills, knowledge and attributes would this kind of person need?

3. What skills, knowledge and attributes would the typical labour force of a labour broker to the citrus industry require?

4. If the available workforce did not have the skills or knowledge required, how and where could you go for training in order to capacitate them?

5. How many other labour brokers operate in your geographical area?

6. In your opinion, is there a need for a new business in labour-broking within your geographical area?

7. What strategy would you apply in order to try and get a labour-broking contract from a local grower or packhouse?

8. Where would you base the office of this brokerage? Why?

9. What kinds of laws or regulations can you think of that may be important to consider as part of a labour brokerage in the citrus sector?

F114596.4 – Team Discussion, Conclusion and Mind Map

- ✓ Work as a team to complete this activity.
- ✓ Consider the following two types of business ventures within the citrus industry: Primary growers and packhouse operators.
- ✓ Now discuss the following questions and record your conclusions in a mind map to present to the class.
- ✓ Time to spend on this activity: 2 hours.

Questions:

1. What is risk management?

2. Brainstorm a list of possible risk factors that may threaten the success of a primary citrus grower in South Africa?

3. Pick the top three risks from the list you made, and discuss possible ways in which you can minimise or eliminate these specific risks.

4. Think about a typical packhouse in the citrus industry. Give two examples of possible measures that are taken to reduce risks in a packhouse operation.

5. Give two examples of possible insurance you would take out to protect yourself as a primary citrus grower?

6. Give an example of the type of security measures you would employ as a packhouse owner.

F114596.5 – Team Conclusion and Rating Scale

- ✓ Work as a team to complete this activity.
- ✓ Consider the type of venture your team chose in the first activity above.
- ✓ Time to spend on this activity: 30 minutes.

Questions:

1. Brainstorm five points that you would monitor and measure in order to determine whether this kind of business venture would succeed or not.

2. Now think about the labour-broking business venture you analysed in the third activity. Discuss and rate the potential success or viability of this venture on the scale below. Motivate your choice of rating for each criteria.

Rating scale for labour-broking business in the citrus sector:

Rating criteria	Unfavourable	Average favourability	Very favourable	Reasons for my choice
Demand in the industry	No / low demand	Fair demand	High demand	
Competitors	Many competitors	Some competitors	No competitors	

Skills profile of typical workforce available	Low skills readily available, a lot of training needed	Fair skills readily available, but some training required	High skills levels readily available	
Cost of infrastructure development, equipment and assets	High cost and investment required	Some cost and investment required, but possible returns	Reasonable cost and good possible returns on investment	
Risks associated with labour-broking	High risk of failure and many security risks	Some risks of failure or security issues	Low risks of failure and few security issues	
Legal requirements	A high level of legal compliance requirements	A fair level of legal compliance requirements	A low level of legal compliance requirements	

Section 2: Formative Assessment Activities

F114592.1 – Team Research Questionnaire, Brainstorm, Conclusion and Class Presentation

- ✓ Work as a team to complete this activity.
- ✓ Do research by reading chapter 6 in your learner study guide and accessing the internet.
- ✓ Analyse the questions, statements and choices given and complete the research worksheet.
- ✓ Time to spend on this activity: 2 hours.

Questions:

1. You are asked to prepare a business plan. Write down in your own words what you understand the term business plan to mean.

2. What do you think the main purpose of a business plan is?

3. Do you think it is important for every business to have a business plan? (Tick the correct answer).

☐ Yes ☐ No

4. What kinds of problems and challenges may an entrepreneur without a business plan face?

5. Brainstorm and come up with a list of the elements that should be included in a typical business plan.

6. There are seven major sections of a business plan, and each one is a complex document.

   a. Executive Summary
   b. Business Description
   c. Marketing Plan and Strategy
   d. Design and Development Plan
   e. Operations and Management Plan
   f. Capital Requirements Schedule and Cost of Goods Schedule
   g. Financial Statements

   The facilitator will allocate two elements of a business plan to each team in the class. Research your team's allocated two elements and write down key notes on your findings.

   Then present your two elements to the rest of the class.

7. Where would you find the type of information you need to compile a business plan?

8. What other resources do you think you may need in order to compile a successful business plan? (An example may be access to a computer or information on the prices that other people in the same business charge.)

9. In your opinion, how would a business plan for a citrus farm differ from a business plan for a tavern?

10. Give examples of at least two types of legislation that you may have to take into account when drafting a business plan for an export citrus production unit.

11. Do you think it is important to take the seasons and time of year into account when preparing a business plan for a citrus production unit? Motivate your answer.

12. How will you make sure your business is actually running according to the business plan once you start operating?

13. Do you think it is important to update a business plan periodically? Explain your answer.

F114592.2 – Team Class Discussion, Mind Map and Key Notes

- ✓ Work as a team to complete this activity.
- ✓ Hold a class discussion around the following questions and concepts and then record key notes of your understandings and conclusions.
- ✓ Time to spend on this activity: 3 hours.

Statements and Questions:

1. What do you think the term ethical framework means?

2. What is a code of conduct in the workplace?

3. What is the purpose of drafting an ethical framework and a code of conduct in business?

4. Sometimes a business owner or entrepreneur should take laws and legislation into account when drafting an ethical framework or code of conduct for their business. Brainstorm and come up with two examples of legislation or regulations that you would take into account when drafting an ethical framework or code of ethics for a citrus production unit.

5. Sometimes a business owner or entrepreneur should also think about other non-statutory regulations or codes of good practice when drafting an ethical framework or code of conduct for their business. Brainstorm and come up with two examples of non-statutory regulations that you would take into account when drafting an ethical framework or code of ethics for a citrus production unit.

6. Below follows a sample code of conduct for "Best Milk-Ever Dairy Farms". Read through it and highlight or underline the sections you would think is important to include in a code of conduct for your citrus production unit.

Code of Conduct for Workers of Best Milk-Ever Dairy Farms

Date: 30/06/2017

Best Milk-Ever Dairy Farms' general principles:

- Accountability
- Leadership
- Openness and objectivity
- Honesty
- Respect

Safety

We value the people on the farm. To this end, we all follow standard operating procedures that ensure tasks are undertaken to a safe standard.

Punctuality

The dairy industry is based on routine and cows need to be milked at regular intervals. Hence we value our people being prepared to start work as agreed. We understand that there may be occasions where people may need to make other arrangements if they are unavailable to ensure the necessary farm operations actually happen. It is a requirement to take appropriate action to inform others of the inability to meet a time commitment.

Communication

The business has a policy of communicating any information relevant to those in the team. Share information with your colleagues and encourage open communication and staff participation, this principle will keep all team members appropriately informed.

Confidentiality

All staff members must take care to maintain the integrity and security of the businesses records and information including personal information concerning staff.

Teamwork

Teamwork is essential for us to achieve our goals and perform well under pressure or in stressful circumstances. We expect all staff to establish effective collaborative relationships with other people in the business and interact appropriately and successfully with people of all different types and at different levels.

Work ethic

We have a commitment to work within the boundaries of what is a reasonable industry expectation. During agreed work hours, we expect that most of the efforts of people on the farm will be put towards the operations of the business. We appreciate that people need time for personal activities and will provide appropriate opportunities for this to occur.

Acceptance of direction

Taking direction and following operational guidelines is essential. However, we encourage team members to suggest appropriate improvements to procedures to improve efficiencies and safety.

Welfare of animals

We have high regard for the welfare of our stock. At all times, it is expected that animals will be handled in a manner such that it does not breach the guidelines of the national code of animal welfare.

Discrimination

The workplace is free from all forms of harassment, discrimination and workplace bullying and resolves workplace disputes and grievances in a fair and timely manner.

Respect

All staff are treated courteously and with respect.

Efficiency

We ensure that work is performed in an efficient, economical and effective manner and to a standard acceptable to the business. We are conscientious in carrying out our duties and make the most productive use of our time while on duty. We work co-operatively and effectively within the team environment.

Training

The business has a policy of inducting and training all staff into new tasks and skills. It also strives to give people an opportunity to pursue career development in dairying through training and education within the business.

Environmental awareness

This business respects and complies with all relevant environmental legislation, regulations and government policies. It adheres to all approved environmental guidelines and standards applicable to the area of work and minimises pollution and environmental impacts as a result of any activities.

Alcohol and drugs

No-one consumes alcohol or drugs when working or works when under the influence of alcohol or drugs.

Phone use

Phone use for work purposes only is permitted during work hours. Use of personal phones including text messaging is only allowed at designated work breaks. Phones are not permitted to be used in vehicles whilst driving.

7. In the South African agricultural context, there are some very specific social and ethical considerations that should form part of codes of conduct and codes of ethics for a new business. For each of the following statements, indicate whether you think it is important to include it:

Issue	Important	Not important
No discrimination on basis of race or religion		
Equality for people of all gender		
Inclusion of people living with disability in the workforce		
Zero tolerance of drug and alcohol abuse		
Fair treatment of pregnant women		
Zero tolerance of child labour		
Natural resource conservation principles		

8. In some cases, the business owner may have a set of personal values that goes beyond the normal business standards for ethics and conduct. Examples of these values are often found in terms of cultural or religious belief systems. For each of the examples listed below, include a possible value that the person may choose to include in his or her business ethical framework.

8.1. Xhosa Traditionalist

8.2. Devout Christian

8.3. Devout Muslim

8.4. Devout 7th-day Adventist

8.5. Devout Jew

8.6. Devout Member of the ZCC Church

9. Work as a team to draft a mind map of all the aspects that you would include in an ethical framework for your business. Draw the mind map on an A1 poster and present it to the rest of the class. Make sure that you also record a copy of this mind map in the space below or attach a copy of the poster behind this page.

10. Work as a team to draft a mind map of all the aspects that you would include in a code of conduct for the workers in your business. Draw the mind map on an A1 poster and present it to the rest of the class. Make sure that you also record a copy of this mind map in the space below or attach a copy of the poster behind this page.

F114592.3 – Team Goal Setting Analysis Worksheet

- ✓ Work as a team to complete this activity.
- ✓ Discuss each of the statements and questions and complete the worksheet.
- ✓ Record key notes on your team's conclusions in each section.
- ✓ Time to spend on this activity: 3 hours.

Statements and Questions:

1. Hold a brainstorming session to come up with two lists of goals and objectives:
   1.1. In column A – Your personal objective
   1.2. In column B – Your business's objective

Column A – Personal Objectives	Column B – Business Objectives

2. Select any one personal goal and one business-aligned goal from the columns above, and then draft a list of objectives indicating how these goals could be achieved.

Column A – Personal Objectives	Column B – Business Objectives
Goals to achieve it:	

3. For each of the goals you identified above, classify them as short-term, medium-term or long-term goals.

Goal	Short term	Medium term	Long term

4. Read through the instructions below and then analyse the objectives that you set for your business and formulate a vision statement.

Developing a Vision Statement

- The vision statement includes a vivid description of the organisation as it effectively carries out its operations.
- Developing a vision statement can be quite culture-specific. Participants may use methods ranging from highly analytical and rational to highly creative and divergent, such as focused discussions, divergent experiences around daydreams and sharing stories. Discuss with the role-players how they might like to arrive at a description of their organisational vision.
- Developing the vision can be the most enjoyable part of planning, but the part where time easily gets away from you.
- Note that originally, the vision was a compelling description of the state and function of the organisation once it had implemented the strategic plan, in other words a very appealing image toward which the organisation was guided by the strategic plan. Recently, the vision has become more of a motivational tool, too often including highly idealistic phrasing and activities which the organisation cannot realistically aspire to.

5. Briefly describe how the business objectives and goals you identified will contribute to:

5.1. Your local community:

5.2. The citrus industry:

5.3. The South African economy:

6. Give one example of how you will go about incorporating cultural values and beliefs of prospective employees and expected consumers into the plans for your business.

7. Explain in your own words or with an example how you would plan to procure the relevant human, physical and financial resources.

F114592.4 – Paired Planning Session and Framework Development

- ✓ Work in pairs to complete this activity.
- ✓ Read the instructions carefully and prepare the frameworks as discussed.
- ✓ Time to spend on this activity: 4 hours.

Instructions:

As part of your holiday work during the programme break, you will be required to prepare a full business plan document for presentation when you return. This activity has been designed to help you plan and prepare the frameworks and content, as well as your time schedule for drafting this business plan.

1. Introduction and business concept:

   1.1. Brainstorm and conclude a business idea or concept for a new business venture related to the citrus industry, that you may be interested in starting.

   1.2. Prepare a short summary of the business idea.

1.3. Make a list of possible research tasks that you will need to undertake in order to determine the viability of the business concept.

1.4. Make a list of possible competitors that you may have.

1.5. Design a survey questionnaire to prepare a competitor analysis.

2. Framework for the business plan:

   2.1. Draft a detailed framework for your business plan.

3. Framework and content for a marketing plan and strategy:

3.1. Prepare the outline and brainstorm what content you will need to include in a market profile or market analysis study.

3.2. Write down how you intend to calculate market share projections.

3.3. Write down how you intend to research business positioning in terms of market, including:

3.3.1. Pricing strategies

3.3.2. Distribution plans

3.3.3. Promotion plans

3.3.4. Sales potential analysis

3.3.5. Competitor analysis

4. Capital requirements schedule and cost of goods schedule:

4.1. Write down key notes on how you will go about determining the capital needs requirement of your business.

4.2. Write down key notes on how you intend to prepare and calculate a cost of goods schedule.

4.3. Draft an outline for a cash flow forecast.

4.4. Write down key notes on how you will go about analysing scheduling and costs.

4.5. Write down key notes on how you will go about developing a budget.

4.6. Write down key notes on how you will go about undertaking a risk assessment.

5. Operations and management plan:

5.1. Prepare a framework for your operations and management plan.

5.2. Write down key notes on how you will go about analysing and determining the organisational structure in terms of:

5.2.1. Labour and personnel forecast

5.2.2. Your personnel numbers (headcount)

5.2.3. Schedule of overhead expenses

6. Financial statements and analysis, including:
   6.1. Write down key notes and questions you should ask yourself in terms of financial analysis for the business.

6.2. Draft frameworks for the following financial statements:

6.2.1. Income statement

6.2.2. Cash flow statement

6.2.3. The balance sheet

Section 3: Formative Assessment Activities

F263455.1 – Class Discussion, Team Poster and Presentation

- ✓ Work as a team to complete this activity.
- ✓ Make sure to attach copies of teamwork and key notes on the different presentations.
- ✓ Time to spend on this activity: 2 hours.

Instructions:

1. Hold a class discussion about the following topics and record key notes of the conclusions:

   1.1. How does a street vendor decide what price to charge for his or her oranges?

   1.2. How does that compare to how a citrus producer decides what price to charge for Valencia oranges on the export market?

2. Draw a poster of the typical trade cycle and compare it to the production cycle of citrus. Present your team's poster to the rest of the class.
   2.1. Make key notes on the diagrams presented and what the main differences between the two are.

3. Discuss as a team what the difference between costing and pricing is in terms of citrus produce. Explain your understanding with examples or calculations.

4. Draft a mind map with examples of each of the following types of costs, and present it to the rest of the class.
   - Fixed costs
   - Variable costs
   - Total costs

   4.1. Record key notes and examples presented.

5. Explain in your own words or with an example the difference between the following three financial concepts: Cost vs Revenue vs Profit.

F263455.2 – Team Research Diagram and Presentation with Key Notes

- ✓ Work as a team to complete this activity.
- ✓ Do research by reading chapter 11 in your learner study guide and watching the audiovisual clip from the Citrus Post Harvest DVD related to the Value Chain and Citrus Markets.
- ✓ Analyse the questions, statements and choices given and prepare a research diagram.
- ✓ Time to spend on this activity: 3 hours.

Statements and questions to guide you in your research for preparation of your diagram:

1. There are various factors that impact on the pricing decisions that a typical citrus farmer has to make. Some of these factors are internal and others are external. These factors can be represented as links in a value chain.
    1.1. Draft a diagram on an A1 poster of the links in the value chain of citrus. Explain each element briefly and illustrate how it may impact the pricing decisions of the farmer.
    1.2. Now present your poster to the rest of the class.
    1.3. Record key notes on the presentations.

F263455.3 – Team Worksheet

- ✓ Work as a team to complete this activity.
- ✓ Do research by reading chapter 10 and 11 in your learner guide and accessing the internet.
- ✓ Analyse the questions, statements and choices given and complete the research worksheet.
- ✓ Time to spend on this activity: 3 hours.

Questions:

1. Brainstorm to come up with a simple business idea. (It does not have to be related to the citrus industry). Write down a summary of the idea you decided upon.

2. Choose two products or services that may be produced or offered by your business. Write down a brief description for each.

3. Complete the tasks below for each product or service.
    3.1. Product / Service 1
        3.1.1. Calculate the input costs, the time taken to make that product / service, and the labour costs of the product or service.
        3.1.2. Calculate how many products or services can be produced per month.
        3.1.3. Calculate the total cost of the product or service.
        3.1.4. Add to that cost three different percentage markups.
        3.1.5. Calculate the total monthly income from that product or service.

Name of product range / business:	
Product number 1:	
Materials used to make the product:	

Name of material	**Cost per unit of material (example per meter)**	**Amount of material needed per unit of product**	**Cost of material needed to make unit of product**

Time required to make the product:	**Hourly rate of person making the product:**	**Cost of labour to make the product:**

Number of items that can be made per day:	
Total cost of items made per day:	
Price 1: 20% mark-up	
Income per month:	
Price 2: 50% mark-up	
Income per month:	
Price 3: 100% mark-up	
Income per month:	

3.1.6. For each of the three prices that you calculated, discuss how your customers will feel about paying it for the product or service, particularly with regard to the value for money it represents.

Price 1:
Price 2:
Price 3:

3.2. Product / Service 2

3.2.1. Calculate the input costs, the time taken to make that product / service, and the labour costs of the product or service.

3.2.2. Calculate how many products or services can be produced per month.

3.2.3. Calculate the total cost of the product or service.

3.2.4. Add to that cost three different percentage markups.

3.2.5. Calculate the total monthly income from that product or service.

<table>
<tr><td colspan="6">Name of product range / business:</td><td colspan="6"></td></tr>
<tr><td colspan="6">Product number 2:</td><td colspan="6"></td></tr>
<tr><td colspan="12">Materials used to make the product:</td></tr>
<tr><td colspan="3">Name of material</td><td colspan="3">Cost per unit of material (example per metre)</td><td colspan="3">Amount of material needed per unit of product</td><td colspan="3">Cost of material needed to make unit of product</td></tr>
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<tr><td colspan="4">Time required to make the product:</td><td colspan="4">Hourly rate of person making the product:</td><td colspan="4">Cost of labour to make the product:</td></tr>
<tr><td colspan="4"></td><td colspan="4"></td><td colspan="4"></td></tr>
<tr><td colspan="6">Number of items that can be made per day:</td><td colspan="6"></td></tr>
<tr><td colspan="6">Total cost of items made per day:</td><td colspan="6"></td></tr>
<tr><td colspan="6">Price 1: 20% mark-up</td><td colspan="6"></td></tr>
<tr><td colspan="6">Income per month:</td><td colspan="6"></td></tr>
<tr><td colspan="6">Price 2: 50% mark-up</td><td colspan="6"></td></tr>
<tr><td colspan="6">Income per month:</td><td colspan="6"></td></tr>
<tr><td colspan="6">Price 3: 100% mark-up</td><td colspan="6"></td></tr>
<tr><td colspan="6">Income per month:</td><td colspan="6"></td></tr>
</table>

3.2.6. For each of the three prices that you calculated, discuss how your customers will feel about paying it for the product or service, particularly with regard to the value for money it represents.

Price 1:
Price 2:
Price 3: