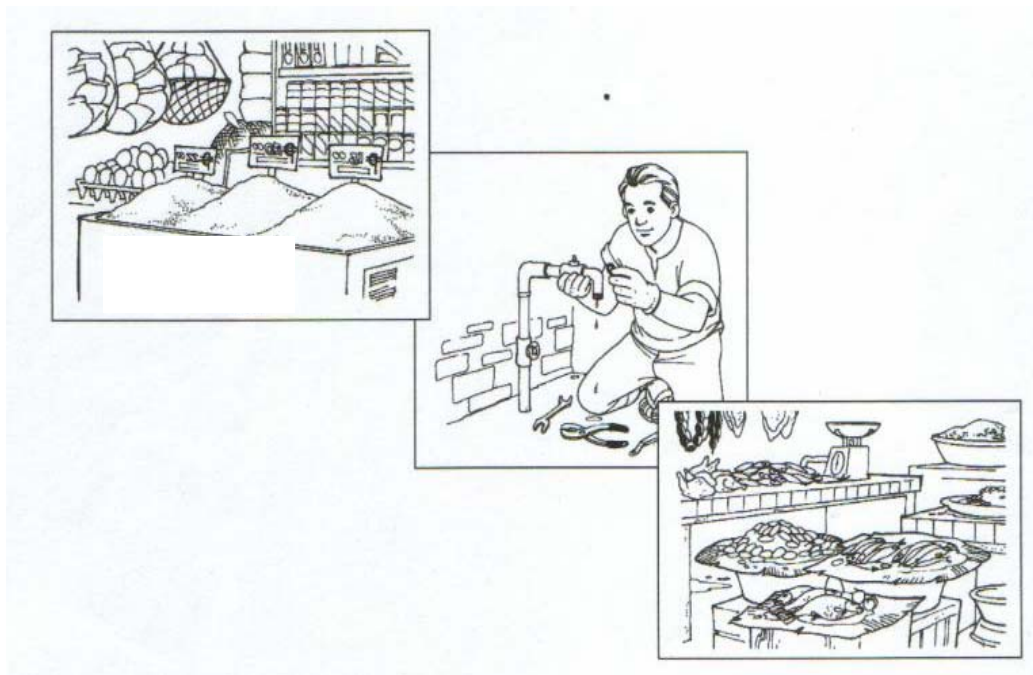


PROJECT EASE

Effective and Affordable Secondary Education

TECHNOLOGY AND LIVELIHOOD EDUCATION

Entrepreneurship



MODULE 5

BUREAU OF SECONDARY EDUCATION

Department of Education

DepEd Complex, Meralco Avenue

Pasig City



Entrepreneurship First Year

Module 5 Requirements of Entrepreneurial Career



What this module is about

Hello! Here we are again. In the last module, you learned the basic concepts of the service type of entrepreneurial activities.

In this module, you will start studying the concepts of entrepreneurial requirements if you intend pursuing any business undertaking. Specifically, this module will help you plan, choose and determine the right location for the business venture you have in mind.



What you are expected to learn

This module is planned for you. At the end of this module, it is expected that you will be able to do the following:

1. enumerate the factors to consider when choosing a business;
2. evaluate the types of entrepreneurial activities;
3. select the type of entrepreneurial activity to pursue;
4. identify the basic managerial concerns of a business;
5. recognize the importance of planning in starting and running a business;
6. illustrate the proper layout of a business/factory; and
7. determine the appropriate location of a business/factory.



How to learn from this module

You are expected to follow the instructions in the module. You are also to perform such tasks as answering the pre and posttests and accomplishing the activities and tasks that would test if you learned the desired knowledge and skills and formed positive attitudes as go through the lessons.

Are you ready to take the pretest now? Answer the sample questions honestly. Keep in mind that this test is being administered to determine your pre-entry knowledge of the lessons to be presented. If you meet some difficulty in performing the desired tasks, feel

free to consult any member of your family, your friends or your teachers. Take the pretest first. Good luck!



PRETEST

I. Study the situation very well. Based on your prior knowledge, perform the suggested tasks. Let's presume that you have decided a self-service grocery store, *The Fellow Grocery Store*. How will you do the following:

1. Fill in/supply the goods/merchandise in the shelf sections;
2. Supply all the important considerations/landmarks to prove that you have chosen the right place for accessibility;
3. In one statement or two, justify your choice of the right place for your business.

II. Choose the letter of the correct answer. Write the answers in your answer notebook.

1. It means the strengths, weaknesses, opportunities and threats.

- a. plan
- b. SWOT
- c. RTW
- d. ICT

2. This determines what is to be done or what business to put up.

- a. planning
- b. staffing
- c. organizing
- d. directing

3. A managerial activity that employs qualified personnel to assist the business operation.

- a. directing
- b. planning
- c. staffing
- d. organizing

4. A managerial activity that implements who will perform which tasks.

- a. organizing
- b. planning
- c. staffing
- d. directing

5. This assesses the flow of business operations to find out whether it is doing well or not.

- a. evaluating
- b. staffing
- c. directing
- d. planning

6. A service layout common in rural areas.
 - a. closed store
 - b. open store
 - c. self-service layout
 - d. credit store

7. A type of business that sells merchandise in bulk to customers.
 - a. manufacturing
 - b. service
 - c. wholesaling
 - d. retailing

8. A business activity that enables customers to buy merchandise on a per piece basis.
 - a. wholesaling
 - b. retailing
 - c. manufacturing
 - d. service

9. A type of business that involves the assembly of parts to produce a finished product.
 - a. manufacturing
 - b. retailing
 - c. service
 - d. wholesaling

10. This is the systematic survey to determine the prevailing market demand.
 - a. planning
 - b. scanning
 - c. retailing
 - d. evaluating

Refer to Page 22 to check whether you accomplished the tasks/activities correctly.

Lesson 1

Factors to Consider in the Choice of a Business Enterprise

The ultimate purpose of an individual for venturing into business is to generate profit. Profit is the remainder when production and selling costs are subtracted from revenues. The equation is illustrated below:

$$\begin{array}{r}
 \text{Revenues} \\
 - \quad \underline{\text{Production and Selling Costs}} \\
 = \quad \text{PROFIT}
 \end{array}$$

The more you know of a particular business, the better it is for you. Experience makes the business of your choice less risky.

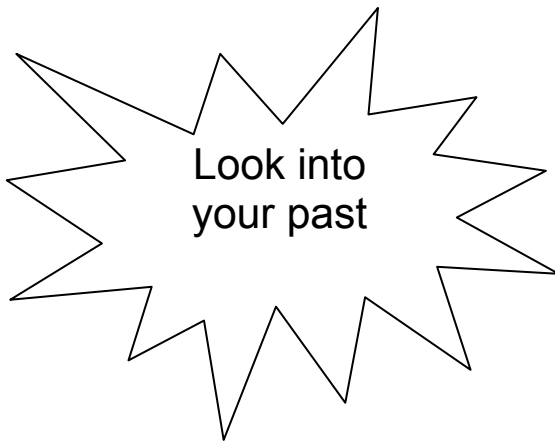
To explain the foregoing, study the illustration and the description of Mr. Santosa:



- More knowledgeable of the bakery business
- Knows which bread to sell and to whom
- Cuts expenses without sacrificing bread quality
- Has a bigger volume of sales due to a lower mark-up
- Learns the business while engaging on it

Do you envy Mr. Santosa? If your answer is a “Yes” you can always learn the rudiments of deciding what job or business to venture in. Find time to reflect on the following techniques of choosing the right kind of business for yourself.

1.



- Did you sell ice candy or newspaper?
- Did you raise animals as a kid?
- Did your parents operate a sari-sari store when you were in grade school?

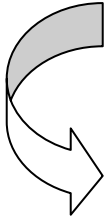
Your business experience in the past is your advantage when you want to start the business you want.

2.



- Do you know how to encode?
- Do you enjoy manipulating things?
- Can you draw well?
- Do you do home nursing?

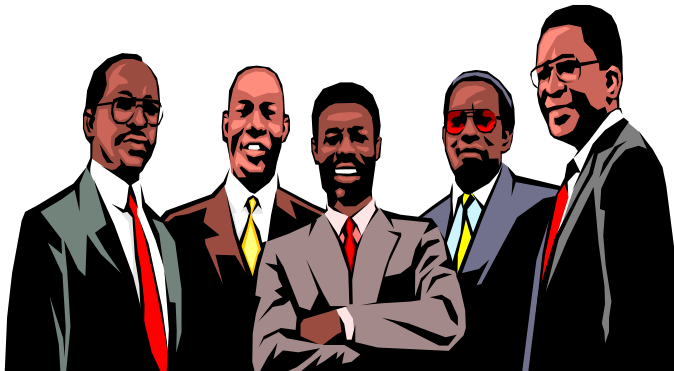
Skills or Services You Know



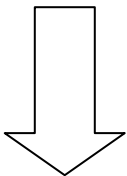
Self assessment of skills that may be offered to other people

3.

Business engaged in by friends and relatives



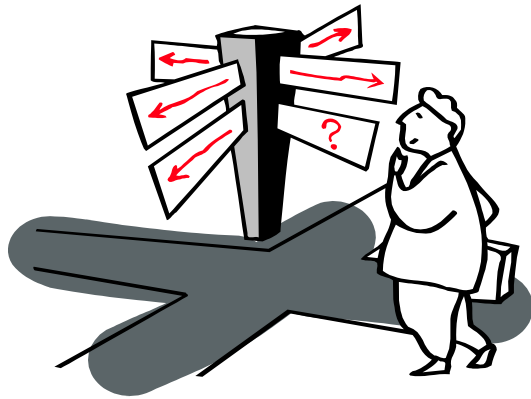
- Do you have friends who can teach their trade?
- Do you have a mentor to back you up?



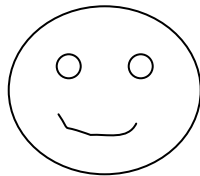
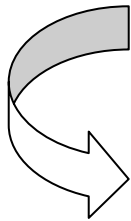
Mentoring and backup to ensure success

4.

Are you willing to learn?



- If you want to open a restaurant, are you willing to learn cooking?
- Do you want to enroll in a vocational school, if you want to acquire skill in dressmaking?



Willingness to learn the ropes will not hinder you from choosing an unfamiliar business.

The foregoing examples are only techniques. Continue reading to learn more the following factors to consider in the choice of a business to engage in.

Factors to consider in the Choice of a Business to Engage In.

1. Availability of resources



Manpower

- Talented
- Skillful
- Interested
- Creative
- Diligent

Money

Machines

Materials

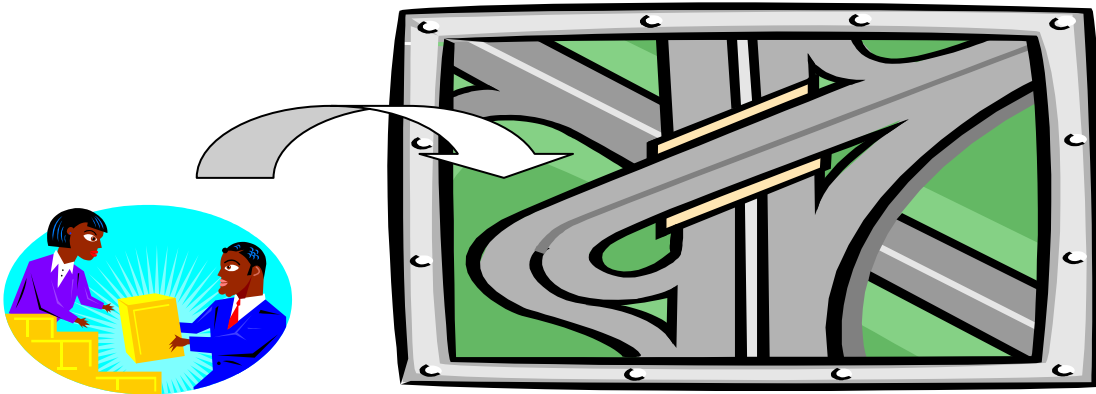
Natural Resources

2. Market demands



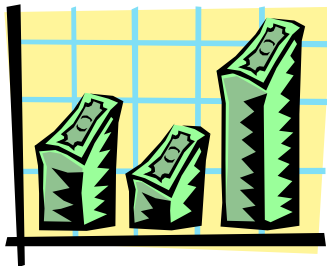
3. Current business trend – In the restaurant industry, the current trend is fastfood.

4. Good Location



A restaurant should be accessible and located near the target market, office or district school, etc.

5. Capital or funds



Due to the kind of enterprise the most important factor is location. Operation depends on availability of funds.

I hope you learned something from the lesson. Let's find out to what extent you have learned. Do the self-check below.



Self-check:

Write the needed information on the spaces after each question.

1. Which of the techniques in the choice of a business to pursue can help you most?
2. Enumerate the factors to consider in planning a business set-up.
 - a.
 - b.
 - c.
 - d.
 - e.
3. Among the five factors, which one do you think will help one decide on what business to put up? Explain your answer.

I hope you were able to get favorable results. If you did not score well in the preceding test, go over the missed items and ask the help of your peers or any member of the family.

Once you are clear about the items which you find difficult, proceed to the next lesson.

Lesson 2

Evaluation and Choice of Entrepreneurial Activities

Operating a business of your own is quite difficult. In managing your own business, the usual nine-to-five routine, quickly becomes 12 to 18 hours per day. It's fun to be your own boss, though you have to search for the inner soul if you really want to plunge into the business of your choice.

The types of entrepreneurial activities you may engage in are as follows:

Retailing – this store is put up to enable customers to buy merchandise on a per piece basis. Customers usually pay in cash for goods bought for their personal consumption.

Wholesaling – This type of business activity sells merchandise in bulk to customers whose purpose is reselling them. Credit is usually extended to establish regular buyers.

Manufacturing – This is the creation of goods from raw materials, or the assembly of parts to produce a finished product. Generally, manufacturers sell their goods to wholesalers, who in turn pass these on to retailers.

Service – It is any business that requires work to be done, with or without the use of tools or equipment, whether skilled or unskilled. Examples of service workers are shoeshine boys and girls, beauticians, barbers, electricians, plumbers, designers and landscapers.

What you have just learned are the types of business that you might pursue in the future. Try to reflect on the characteristics/features of each type for you to select the type of business, which seems appropriate for you.

Selection of Entrepreneurial Activity

Can you still recall the factors to consider in choosing a business to put up? Resources, market demands, capital, good location, and market trends will help you choose a future business endeavor apt for you. If this is difficult for you, start scanning the business environment. How will you do it?

Scanning is a systematic survey of the market to determine the best kind of business to start with. Keep your eyes and ears open. You can use the following strategies in identifying that business:

1. Get ideas from PLDT's yellow pages. Businesses listed might interest you to make a choice.
2. Walk around your community or neighborhood. Identify the types of business which residents may need.
3. You can imitate successful business in other towns. See if you can open the same business in your area.
4. Read business magazines and newspapers for ideas. Many local magazines offer business ideas from time to time.
5. Regular business programs on TV and radio can also provide a wealth of ideas.

Activity 1

Evaluation and Choice of Entrepreneurial Activities

Based on the foregoing study of various entrepreneurial activities as well as their considerations and pointers, analyze the checklist below to facilitate the choice of an entrepreneurial activity apt for you. Consider each statement as it applies to your situation. Check each question only after you have answered it honestly.

A. Business Experience

Categories / Statements	YES	NO
1. Do you have any business experience?		
2. Do you have technical skills such as plumbing, repairing and electrical troubles, among others?		
3. Do you have basic management experience working for someone else?		
4. Have you analyzed the business situation in the neighborhood/city where you want to put up your own enterprise?		
5. Have you considered the net profit you believe you should make?		

B. Capital Requirements

Categories / Statements	YES	NO
1. Have you made a conservative forecast of expenses?		
2. Do you know the net profit you can expect from volumes of merchandise?		
3. Have you computed the actual amount of money to be invested in your business?		
4. Do you have other assets you could sell?		
5. do you have other sources from which you can borrow money?		

C. Ownership

Categories / Statements	YES	NO
1. Do you need the technical or management skills of a partner/partners?		
2. Do you need the financial assistance of one or more partners?		
3. Have you checked the features of each form of organization (individual, partnership, and corporation) to find the one most fit to your situation?		
4. Have you analyzed the business situation in the neighborhood/city where you want to put up your own enterprise?		
5. Have you considered the net profit you believe you should make?		

D. Managing/Supervising

Categories / Statements	YES	NO
1. Do you know the quantities of your product or service which users usually buy?		
2. Have you made sales analysis to determine the merchandise		

lines to be sold?		
3. Have you outlined the promotional methods to be used?		
4. Have you analyzed why customers buy your products?		
5. Do you know the skills of employees who can assist you?		
6. Have you planned your training procedures?		
7. Do you have a bookkeeping system ready to operate?		
8. Have you satisfied the requirements to start business?		
9. Does your family agree that your proposed business venture is sound?		

The checklist is designed to serve as a guide in selecting a particular entrepreneurial activity to venture in. It will likewise help you decide whether you are qualified or have considered the various expectations of these entrepreneurial activities. If you answered “yes” in most of the items/statements, that implies that you are more than ready to venture in any of the four types of entrepreneurial activities. However, if you have more “no” responses, that implies that you prefer entrepreneurial activity that would require less burden on your part such as skills, management support, resources and capital.



Self-check

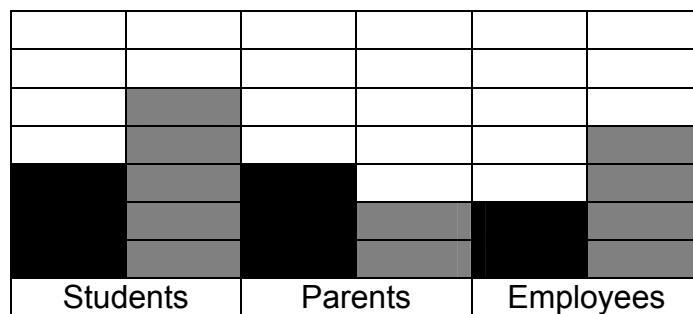
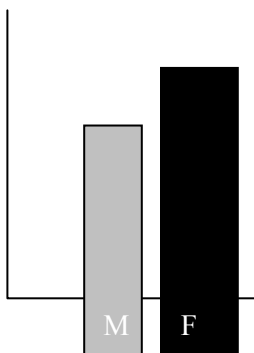
Let’s check on what you have learned from the lesson. Are you ready for a short test? I will give you a situation and its graphical illustration to help you accomplish the tasks expected of you. Ok?

Situation:

There is an abundant supply of “*Pakwan* and Melon” during summer. These fruits are sold cheaper when in season.

Statistical/Graphical Illustration of Residents

The illustration shows your neighborhood of more or less 2,500 residents who are distributed in the following way:



Designated Tasks:

1. Make a list of different entrepreneurial activities in which you can venture, guided by the situation above.
2. Categorize your list as to retailing, wholesaling, manufacturing, and service.

Retailing	Wholesaling	Manufacturing	Service

3. Select the most appropriate entrepreneurial activity to pursue, based on the given situations.
4. Present your output to any member of the family who is knowledgeable of enterprise planning and development.
5. Submit the same output to your teacher.

Lesson 3

Basic Managerial Concerns of Business

Hello! It's nice to be with you again. I hope you are still enjoying your lessons. In the preceding lesson, you were taught how to evaluate and select a business endeavor fit for you. This new lesson teaches you very practical ways of managing the entrepreneurial activity you would most likely venture in.

Activity 2

Study the following pointers to polish the managerial competencies expected of you. Remember that entrepreneurs are leaders. They make things happen. To achieve goals, they "turn people on," stretch their capabilities, and direct these towards desired results.

I want certain values to develop in you particularly being courageous in deciding the basic management concerns of the business you have in mind. Keep in mind the following pointers.

1. *Planning* – Determine what is to be done or what business to put up. The *SWOT* (strength, weaknesses, opportunities, and threats) analysis can be

applied in this stage. In planning a family business, a big family can be a strength, as many hands can help you at the store. However, this can also be a weakness because of the large (e.g. wage) expense that may be incurred.

2. *Organizing* – This helps you decide what procedures to implement or who will perform which tasks. For example, you want to put up an RTW business. An apartment may be rented for the manufacture of RTWs, to be supervised by one of your partners. This is a better deal than constructing a building to house the manufacturing activities.
3. *Staffing* – Employ a qualified staff to assist in business operations. Due to the rapid development of information technology, it is logical to employ individuals with background knowledge of ICT so you can have a strong pool of office workers, especially if you are planning to put up a computer school.
4. *Directing* – To make workers function effectively in the implementation of the plan, provide supervisory services. Like an infant, your business must learn how to crawl before it can walk on its own and eventually run. You must guard your business well to avert downfall.
5. *Evaluating* – Assess the flow of business operations to find out whether it is doing well or not. For instance, at the end of the month, the forecast budget is compared with the performance or actual operations. If the business is not performing well during the past month, take the necessary action – lessen your expenses. Light ships move faster. Heavy ships sink faster. Uncontrolled, the situation can destroy the whole enterprise.

Before proceeding to the next lesson, solve the puzzle below to assess the extent of your learning in the preceding lesson:

 Self-check:

1							4					
									5			
		2										
	7											
	8						6					
3												

Across

1. Gives direction on what to do, or where to go
2. Introduces ideal procedures for the staff to follow
3. Jason is hired as data encoder
6. To know the success or failure of one's business (Syn.)
8. Payment for services rendered

Down

4. Proof of a successful business
5. To guide is to –
7. Strengths, weakness, opportunities and threats

If you got all answers correct, you may proceed to the next lesson. However, go back and study the items in which your responses are incorrect before proceeding to the next lesson.

Lesson 4

Planning to Start and Run a Business

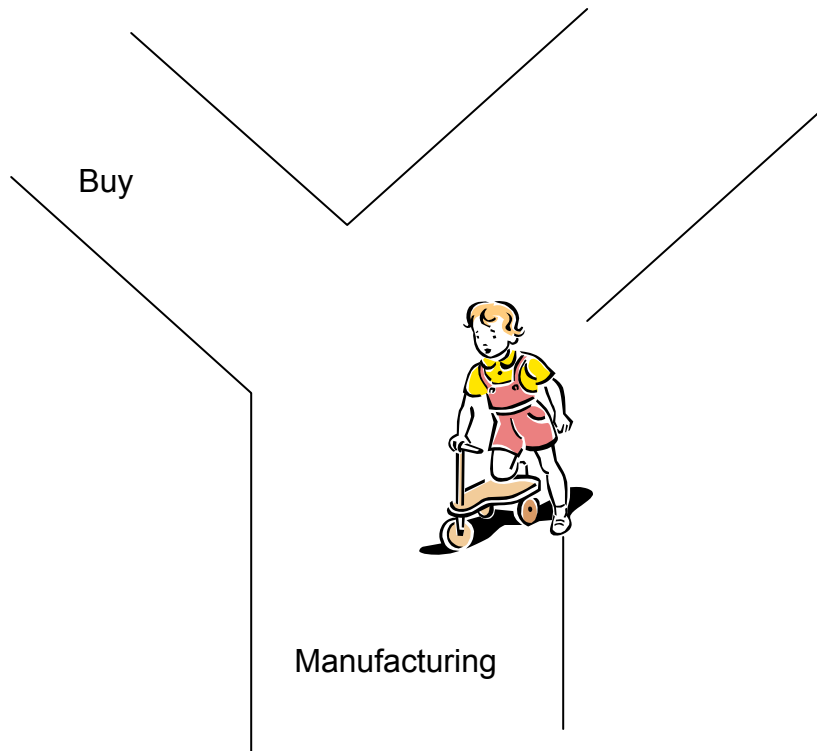
This is the last lesson in this module. Read its contents to realize its importance. You, too, will notice change in yourself. You are gradually developing knowledge and skills and forming positive attitudes needed to put up your own business.

Activity 3

Let's review the value of planning a business enterprise. The items below can serve as your guiding principles to avoid mistakes. Go over and reflect on the importance of each item in any kind of enterprise, big or small.

- A good plan gives confidence in knowing what to do when you put up your business enterprise. Planning is thinking ahead of what one does in any project.

Example: Buying an asset



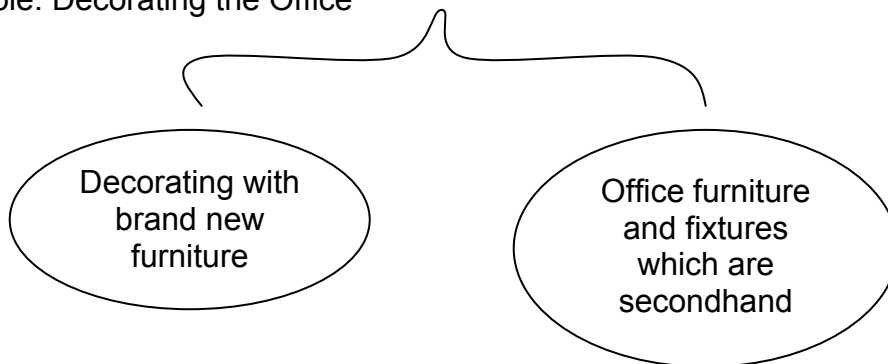
- A plan reminds you that you cannot while away time. Awareness of time focuses attention to the task to be done.

Example: Business expansions

Sometimes, elaborate expansion plans based on sound business decisions are made to feed the ego.

- A good plan keeps unnecessary expenses to a minimum. Remember that the expansion of your business depends upon your capital.

Example: Decorating the Office



- A good business plan helps identify your business partners.

Example: Business survival

Okay! You are done with the preceding lesson. I hope you are interested to go on. Assuming that you decided to put up a retail store, “a friendly neighborhood store.” You should not forget that your objective is to make sales. How will you do this?

Activity 4

Making a layout of one’s Business Factory

Remember the saying “you are in business to make a sale”. To increase sales, people must be attracted to your store. How will you attract them? Perhaps the checklist below will help you:

- Well lighted
- Clean and fresh looking
- Nicely decorated
- Well displayed goods/merchandise
- Reasonably priced

If almost all the items have check (✓) marks, this indicates a big sales volume. However, if you have three (3) or less marks, it’s good to think of the following issues and possibilities:

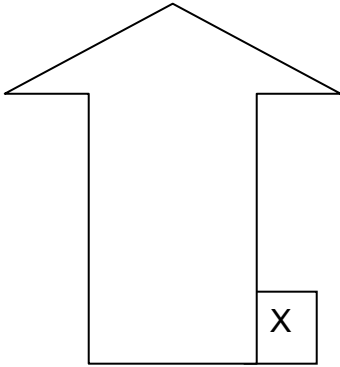
- A store layout of two types:
 1. Closed store or counter-service layout which is common in rural areas. You serve customers as they come to the counter to buy the things they want.
 2. Open store or self-service layout – This is practical if you have only few sales attendants. Just arrange the store space in such a way that all goods are displayed and easy to handle.
- Window dressing of your store invites customers to come in and buy.
- The “often bought” or needed which refers to the “magnetic goods” on the shelves to call the customer’s attention.
- Items sold as “special offer” should be placed on the counter or beside the front counter.

After learning the importance of store layout, it is important to look into the advantages of choosing the right location for the store.

Activity 5

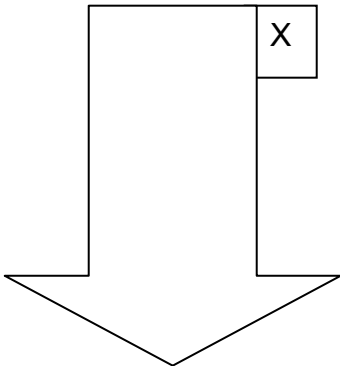
Determining the Right Location

Your final activity is like a journey. Join the fun in locating a good site for your business. We still do an environmental scanning to find the right place. Let's start our journey by heading to the north, to the town proper which is two kilometers away.



Legend: X – your place

Now, change your direction by heading to the south, which is three to four kilometers away. This place is where most of farm produce comes from.



Now, ask yourself:

1. Is my place accessible? Can it be easily reached by customers?
2. Are transportation facilities reliable?

Now, ask yourself the following questions:

1. Is there a reliable source of water and electricity in case you are planning to put up a manufacturing shop?
2. Will it be expensive to procure from the farm or just buy raw materials/goods at the market?
3. Will the environment not be harmed by wastes if you will put up a manufacturing enterprise?
4. Will there be enough parking space, both for your employees and the customers?
5. Is the location safe at all times?
6. Does it observe government zoning rules and regulations?

If you place check (✓) marks in almost all the questions, you are certain that you have found the right place for your business.

LET'S SUMMARIZE

Let's now summarize all learning from this module. I hope you'll remember the most important points taken up in it. Factors to consider in the choice of a business to engage in are as follow:

- Availability of resources, market demands, current business trends, good locations, and capital or funds;
- Most important is availability and sufficiency of resources such as money, machinery, materials, manpower, and management;
- There are several types of entrepreneurial activities, namely: retailing, wholesaling, manufacturing, and service type. The most common of these is the retail type because it requires less capital and people to operate the business;
- Planning is the most essential managerial concern because it gives direction to issues and activities that ensure successful business implementation;
- Proper layout and a good location are contributive to a feasible business venture.
- Accessibility of the business enterprise invites patrons.

I hope you are ready now to do a little evaluation. Try to answer the posttest below:

POSTTEST

I. Study the situation very carefully. You are expected to apply all the things you learned from this module.

Let's presume that you decided a self-service grocery store, "*The Fellow Grocery Store*". How will you do the following:

1. Fill in/supply the goods/merchandise in the shelf sections of the sample layout;
 2. Supply all the important considerations/landmarks to prove that you have determined the right place in regard to accessibility;
 3. In one statement or two, justify that you selected the right place for your business.
- II. Choose the letter of the correct answer. Write the answers in your answer notebook.
1. It means the strengths, weaknesses, opportunities and threats.
 - a. plan
 - b. SWOT
 - c. RTW
 - d. ICT
 2. This determines what is to be done or what business to put up.
 - a. planning
 - b. staffing
 - c. organizing
 - d. directing

3. A managerial activity that employs qualified personnel to assist the business operation.
 - a. directing
 - b. planning
 - c. staffing
 - d. organizing

4. A managerial activity that implements who will perform which tasks.
 - a. organizing
 - b. planning
 - c. staffing
 - d. directing

5. This assesses the flow of business operations to find out whether it is doing well or not.
 - a. evaluating
 - b. staffing
 - c. directing
 - d. planning

6. A service layout common in rural areas.
 - a. closed store
 - b. open store
 - c. self-service layout
 - d. credit store

7. A type of business that sells merchandise in bulk to customers.
 - a. manufacturing
 - b. service
 - c. wholesaling
 - d. retailing

8. A business activity that enables customers to buy merchandise on a per piece basis.
 - a. wholesaling
 - b. retailing
 - c. manufacturing
 - d. service

9. A type of business that involves the assembly of parts to produce a finished product.
 - a. manufacturing
 - b. retailing
 - c. service
 - d. wholesaling

10. This is the systematic survey to determine the prevailing market demand.
 - a. planning
 - b. scanning
 - c. retailing

d. evaluating

Congratulations if your answers are similar with the above. Let me remind you however, that you should go over the missed items before proceeding to the next module. See you again.

ANSWER KEY

Feedback to Pretest/Posttest:

Test I

1. Any arrangement of goods can be adopted as long as the “magnetic goods” are spread on the different shelves. The counter should be close to the entrance/exit door.
2. Place TOWN MARKET, School, Office, and other amenities to depict that the place is accessible to target customers.
3. The place/location is right because it is at the center of a town, hence it is accessible to all the target customers.

Test II

1. b
2. a
3. c
4. a
5. a
6. a
7. c
8. b
9. a
10. b

Lesson 1 : Feedback to Self-check:

1. Experience, which is the best teacher, my background knowledge of certain factors in trade/business that will help me very much.
2. The vital factors
 - a. Availability of resources
 - b. Market demands
 - c. Current business trends
 - d. Good location
 - e. Capital or funds
3. Resources – availability and sufficiency of items or products to be offered

Lesson 2 : Feedback on the Self-check

Across

1. Planning
2. Organizing
3. Staffing
6. Assess
7. Wage

Down

4. Gains
5. Direct
7. SWOT