








SUBJECT	BUSINESS STUDIES		GRADE	11									
TERM 3	WEEK	4	HOURS	4									
TOPIC	MAIN	BUSINESS VENTURES	TOPIC	Start a business venture based on an action plan									
AIMS OF LESSON	<p>1. In this topic you will have the opportunity to:</p> <ul style="list-style-type: none"> Collaboratively or independently starting a business venture based on an action plan. Explore the acquiring funding (Equity capital/loans/debt, considering other sources of funding/capital). 												
RESOURCES	Paper based resources		Digital resources										
	<ul style="list-style-type: none"> WCED Business studies Core notes Gr.11 – 2020 Via Afrika Business Studies Grade 11 Learner's Book Platinum Business Studies Grade 11 Learner's Book Oxford Successful Business Studies Grade 11 Learner's Book Solutions for a Business Studies Grade 11 Learner's Book Focus Business Studies Grade 11 Learner's Book 		 http://www.youtube.com/watch?v=Fqch5OrUPvA (How to write a business plan) http://www.youtube.com/watch?v=JuDyv3vfIGE										
INTRODUCTION	<p>Gr. 11 Revise transformation of a Business plan into an action plan.</p> <table border="1" data-bbox="399 1169 1932 1429"> <tr> <td colspan="2">PURPOSE OF LESSON</td> <td>1. Revise content covered in previous week.</td> </tr> <tr> <td>2. Build on knowledge of learners.</td> <td>3. Expand the knowledge and skills of learners on the topic.</td> <td>4. Emphasize the action words.</td> </tr> <tr> <td>5. Build on the different cognitive levels.</td> <td>6. Consolidate content</td> <td>7. Provide learners with consolidation questions of prior and current knowledge.</td> </tr> </table>				PURPOSE OF LESSON		1. Revise content covered in previous week.	2. Build on knowledge of learners.	3. Expand the knowledge and skills of learners on the topic.	4. Emphasize the action words .	5. Build on the different cognitive levels.	6. Consolidate content	7. Provide learners with consolidation questions of prior and current knowledge.
PURPOSE OF LESSON		1. Revise content covered in previous week.											
2. Build on knowledge of learners.	3. Expand the knowledge and skills of learners on the topic.	4. Emphasize the action words .											
5. Build on the different cognitive levels.	6. Consolidate content	7. Provide learners with consolidation questions of prior and current knowledge.											

In Grade 11 you are required to know the content of to Start a business venture based on an action plan.		
ASPECTS THAT AN ENTREPRENEUR SHOULD FOCUS ON WHEN INITIATING A BUSINESS:		
CONCEPTS AND SKILLS	1. STRATEGY 	The strategy looks at how you will achieve your goals. <ul style="list-style-type: none"> • This includes an Action Step Chart to outline the vision, goals and action plans. • These must be used to develop the system and processes for the business to achieve its outcomes. • A monitoring and evaluating system must be established. • This system provides constant feedback on any weaknesses and successes.
	2. OPERATIONS 	The operations indicate what needs to be done to achieve your goals. <ul style="list-style-type: none"> • The business and action plans identify the operation plan. • Operations need to be implemented, staff employed and trained. • Resources must be acquired and managed. • There is constant monitoring and evaluation to ensure that resources are used effectively.
	3. PRODUCTIVITY 	Productivity needs to be planned and monitored. <ul style="list-style-type: none"> • The Action Plan includes budgets and financial planning. • To ensure productivity in a business, costs are decrease and output increase. • Continuous monitoring and evaluation are done to ensure maximum productivity. • Improvements are implemented constantly to improve profits.

FACTORS TO CONSIDER WHEN SETTING UP A BUSINESS

1. **What is the size of the business?**
 - The bigger the business the more difficult it is to manage.
2. **The success of a business often depends on the management and staff.**
 - It is more difficult to manage and control a larger group of employees.
 - If there are too many employees, it is difficult to keep control of the quality of work for each employee, the actual work and productivity levels.
3. **Culture, training, and quality of staff**
4. **Risk and change**
5. **Customer service**
6. **Market research**
7. **Business cycles**

CULTURE, TRAINING AND QUALITY OF STAFF



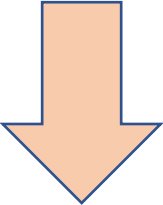
- It is essential to establish an organisational culture from the beginning.
- Staff must become familiar with what is acceptable and what is not.
- Give staff appropriate training to deliver the best quality.



RISK AND CHANGE

- These are unavoidable in business.
- Every business venture includes risks.
- The original Action Plan may need to be changed.
- Introducing new technology may influence the budget.
- It is essential that management and leadership teams are flexible to adapt to changes in the market.



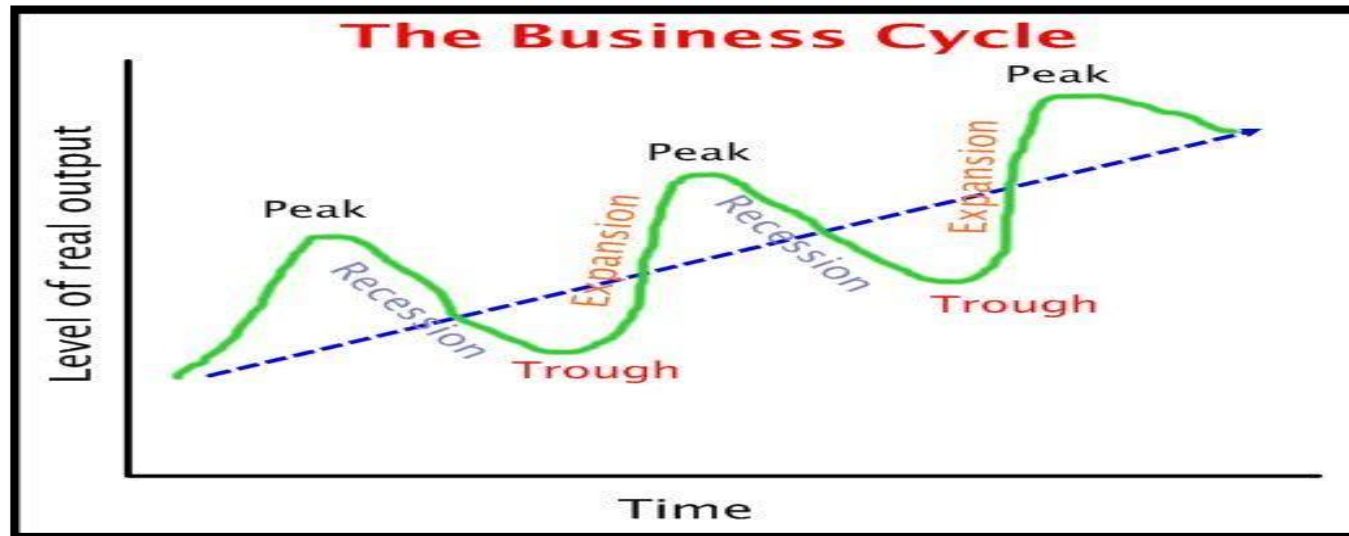
CUSTOMER SERVICE IS ESSENTIAL	
<ul style="list-style-type: none"> • For a business to be successful, customers must be given what they want. • This may mean changing the market plan. • The service business requires a personal touch. • Business has to form a relationship with its clients. 	
MARKET RESEARCH	
<ul style="list-style-type: none"> • Market research will help you succeed in business. • Ongoing market research is essential to determine the most profitable market for your products. • It is beneficial to start in a local, familiar market. 	
BUSINESS CYCLES	
<p>Businesses experience cycles of growth/expansion and decline/recession.</p> <ul style="list-style-type: none"> • All businesses go through periods of difficulties. • Changes in both the macro and market environment can affect the business. • Constant adjustments must be made to reduce costs where possible. • Reducing costs has the effect of increasing the profitability of the business. <div style="text-align: right; margin-top: 20px;">  </div>	

CHANGES IN MARKET ENVIRONMENT

- Changes in consumer preferences/spending
- Entering new markets
- Global competition
- Changes in demand and supply





CHANGES IN THE MACRO ENVIRONMENT

- Inflation
- War/ political unrest
- Population growth
- Pandemics
- Voting for new governments
- Unemployment



ACQUIRING FUNDING	
Start-up capital	Start-up capital can be divided into equity, debts and grants.
1	Equity:
	<ul style="list-style-type: none"> • This is money that you already have. • Equity could be money that you have saved, or it could come from something you own.
2	Debts
	<ul style="list-style-type: none"> • This is money that you borrow from somewhere. • Borrowed money is repaid with interest. • There are different ways to acquire a loan.
3	Grants
	<ul style="list-style-type: none"> • These are made available for small developing businesses. • Most government grants do not have to be paid back. • Government would like to see that the business benefits the community and environment.



SOURCES OF FUNDING		
<ul style="list-style-type: none"> • There are different ways of sourcing funding. • Examples: bank loans, overdrafts, angel funding and venture capital. 		
1	BANK LOANS 	<ul style="list-style-type: none"> • This is money borrowed from a bank. • A bank loan is paid back with interest. • Often the repayment is structured to be paid back in instalments over a period of time. • Bank loans are generally used for long-term financing.
2	OVERDRAFTS 	<ul style="list-style-type: none"> • This is when the bank allows the client to withdraw more money than the balance in the account of the client. • It is repaid after a set period with interest. • The overdraft is the most popular type of short-term financing.
3	ANGEL FUNDING 	<ul style="list-style-type: none"> • Angel funding is offered by wealthy entrepreneurs in exchange for a share in the business. • It is very popular in the Information Technology industry. • However, it carries a high risk for the investor.
4	VENTURE CAPITAL 	<ul style="list-style-type: none"> • Venture capital is financing is given in exchange for a share in the business at its start-up. • Some venture capitalists also request a position in management or on the board.

OTHER SOURCES OF FUNDING	
	<ul style="list-style-type: none"> • Many entrepreneurs are not able to get loans or overdrafts from banks. • This is mainly because they do not have credit records, or they are unemployed. • These entrepreneurs often resort to micro lending. • Micro lending allows entrepreneurs who are unemployed, with no work experience or collateral to acquire funding. • Micro lenders are businesses that offer small loans to people at high interest rates. • The interest rates are high, because the risk for the micro lender is very high. • There is no guarantee that the borrower will be able to pay back the loan.
ACTIVITIES/ INFORMAL ASSESSMENT SECTION B REVISION QUESTIONS	BUSINESS VENTURES PAPER 2 1.1 Discuss the THREE categories of start-up capital. (9) 1.2 List four sources of borrowed capital/ debt. (4) 1.3 Differentiate between angel funding and venture capital. (4) 1.4 Explain the dangers of micro-lending for both the lender and the borrower. (4) 1.5 State any FOUR uses of funding in a new business. (own thinking) <div style="background-color: #4f81bd; color: white; text-align: center; padding: 5px;"><i>Acknowledgment to Mr McDonald</i></div> 2.1 Describe the following planning tools that are needed to transform a business plan into an action plan: 2.1.1 Gantt chart (4) 2.1.2 Timelines (4) 2.1.3 Project planning (4) 3. Explain sources of funding for businesses. (8) 4. Read the statement below and answer the questions that follow. <div style="border: 1px solid black; padding: 2px; text-align: center;">Path to success: Why a good business plan is indispensable?</div> 4.1.1 Outline the importance of having a business plan to ensure the success of a business. (6) 4.1.2 Explain THREE planning tools that are needed to transform a business plan into an action plan. (12) <div style="background-color: #4f81bd; color: white; text-align: center; padding: 5px;"><i>Acknowledgment to ECED Nov.2016 & 2017</i></div>

CONSOLIDATION	<ul style="list-style-type: none"> • This lesson covered the Gr 11 content as stipulated in the Gr 11 Examination Guidelines. • Learners who understand the content should be able to apply the knowledge and skills required to successfully answer questions based on the curriculum in all Formal Assessment Tasks.
VALUES	<ul style="list-style-type: none"> • Caring: You are our most important clients in the educational landscape, therefore it's important that we provide you with the necessary resources for self-directed study. • Responsiveness: It's our responsibility to make sure that quality lesson plans are developed timeously and distributed to you. • Competence: After working through the lesson plans you should be able to demonstrate the skills and knowledge acquired, to complete the required assessment tasks successfully.