



Start Your Business

Module 3: Plan Out the Process

March 2023

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Zwolle, the Netherlands
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Module overview

Objectives

- To learn how to make a Process Flow Chart of your business
- To use the Process Flow Chart to determine how to make things 'better'
- To identify the Tools & Equipment and the People & Skills needed in order to set up (and run) the business
- To learn how to make a realistic action plan for your business
- To identify the total set up costs for your business

Materials

- Flipcharts and markers
- Figure with roadmap towards a successful business
- Picture of funnel leading to a Business Plan
- Simple example of a Process Flow Chart
- Example table of Doing 'Better', Tools & Equipment and People & Skills
- Example of an Action Plan

Duration

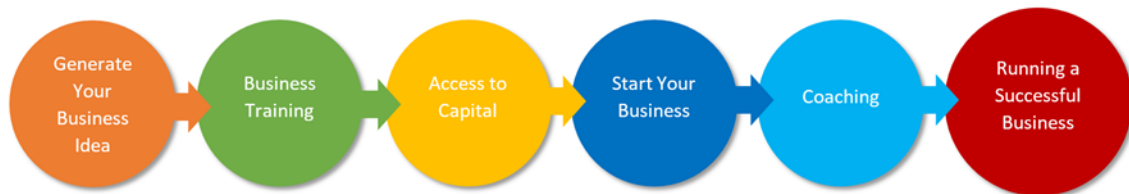
Element	Duration
Introduction	15 minutes
10. The process flow	60 minutes
11. Required tools & equipment, people and skills	90 minutes
12. Your action plan	90 minutes
Closure	15 minutes
Total	4 hours and 30 minutes



Introduction

- Welcome the participants and make sure everybody feels at ease.
- Introduce the session of today to the participants and go through the objectives of this Module.
- Show them schedule of the day, including the breaks.
- Explain the ground rules of the training.
- Make sure that everybody understands how the current Module fits within the total picture of the Start Your Business training (show picture).
- Do a short recap of the main learning points of the previous module: Define Your Market..

Roadmap to a Successful Business



10. The process flow

Introduction

Read and explain the first part of the Theory 'The process flow' (until ■). Tell the students that in this exercise they will try to make a process flow themselves.

Exercise



- Tell students that as an example we will first make one Process Flow Chart together.
- Ask students to come up with a business idea. It may be one of the students' business ideas.
- Ask students to name steps in the process from production of this product to delivery to the client. Write the steps mentioned by the students on cards and stick them to the blackboard or wall. Make sure to put them in the sequence indicated by the students.
- As a facilitator, keep asking for steps until you feel they have covered the process rather accurately. When all activities are included and everybody agrees that the sequence is correct, draw or place arrows to show the flow of the process.
- Give each student a paper, pen and small cards or stick-it notes.
- Tell the students to make a Process Flow Chart for their own selected business idea. Provide support where needed.
- Let one of the students present his/her Process Flow Chart to the rest of the group and ask the group to provide feedback on it.

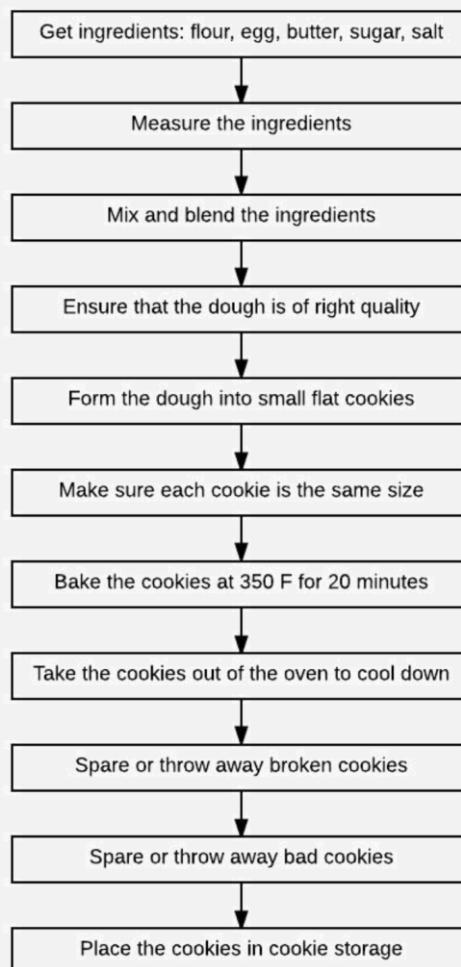
Reflection

Tell students that their Process Flow Chart is an important step for the planning of their business. It will help them to identify the things that they need to acquire or do before being able to actually start producing and selling their product or service.

Theory: The process flow



1. If you have come this far, you now have a clear idea about what you are going to do (you developed your Business Idea), about how well you need to do it (you analysed the needs of customers and the strategies of competitors), and how confident you are to make it happen (you looked at your potential market share).
2. Before you can actually start producing or delivering services, first many different things have to be in place. For example: you need the right tools and equipment, people with the right skills, permits and licenses, a place from where to sell, etc. With so many things to acquire and to do it is easy to oversee or forget something. One way to avoid this, and to make sure that you think about everything, is to make a process flow (see the picture of the funnel leading to a business plan).
3. A process flow is a list of activities that need to happen, one after another, from the starting point when things first come into your business, right up to the point that your product or service is delivered to the customer. The process flow can be represented in a Process Flow Chart. An example is shown here below for a biscuit-making business.



■ Once you have identified the different steps of the process, you can now have a closer look at each step and ask yourself 3 different questions:

What do you need to do in that step to make your product or service 'better' in the ways you have described in Module 2.

What Tools and Equipment will you need to carry out that process step?

What People and Skills will you need to carry out that process step?

For a good overview you can make a table with 4 columns in which you summarize the process flow and the answer to the 3 questions above (see table below).

Process step	Doing 'better'	Tools and equipment	People and skills
Allow the biscuits to cool		Rack of wire shelves and trays	
Pack the biscuits	Do not chip or break	Packing table	Careful packer
Load the packed biscuits	Deliver on same day as baked	Packing table	Careful packer
Deliver the packs of biscuits			

Remember that all of this information will help you to identify everything that you need to acquire and to do in order to be able to run your business. This will affect your costs, timing of activities, revenue and profit. It will also help you to develop a sound Business Plan later on.

11. Required tools & equipment, people and skills

Introduction

Read and explain the last two paragraphs of the Theory 'The process flow' (from ■). Tell the students that on basis of their Process Flow Chart they are now going to think through how they can do each process step 'better'. Consequently, they will focus on the 'tools and equipment', and on the 'people and skills' they will need to actually execute the process steps as described.



Exercise

- Give each student a paper and a pen.
- Tell the students to make a table with 4 columns, and label the columns: "Process Step", "Doing 'better'", "Tools & Equipment", and "People & Skills". See also the example table in the Theory about the Process flow.
- Tell students to write down the process steps in the first column, based on the Process Flow Chart they made in Exercise 10.
- Tell the students to go through each process step and see if they can identify things that they could do to make their product or service 'better' than their competitors. It can be helpful for them to go back to Module 2 and look at the strengths and weaknesses of their competitors (Exercise 8).
- Let them now, for each process step, fill in columns 3 and 4 in which they identify which Tools & Equipment and which People & Skills they need to have in place. Tell them this should match with what they filled in in the : "Doing 'better'" column.

Reflection

Especially when you are just starting a business you want to keep your costs really low since you haven't yet built up a considerable client base. One way of keeping costs low is to use rented equipment or second hand tools. At the same time, cheap tools and equipment can also be unreliable, so you really have to think this through.

12. Your action plan

Introduction

Read the Theory 'Your action plan'. Tell the students that they will now make an Action Plan for their own business idea. Tell them to be realistic about timing and costs. They should take into account that some things may take some time to get done (such as getting permits and licenses).

Exercise

- Give each student a paper and a pen.
- Tell students to create a table with 3 columns. Label the columns: "Actions", "Date" and "Costs". Show them the example of an Action Plan in the Annex.
- Tell the students to go through the questions in the Theory about planning the business. Based on these questions let them write down all the necessary actions in the set up phase. Tell them not to be too general in defining their actions, as they will have to specify the timing and costs attached to it. For instance: instead of writing "Buying equipment" it is better to specify: "Buying an oven" and "Buying a packaging machine".
- Once the students have identified and written down all the necessary actions, let them estimate the costs associated with that action and write the amount in the last column.
- Let them also estimate the expected date (and if necessary duration) of each activity, and fill that in in the "Date" column. The dates may change later, but for now it gives an indication of the time frame for conducting preparatory activities.
- Finally, let them add up all the costs in the "Costs" column and place that at the bottom of the table. Tell the students that we call these total costs the Set-up costs.



Reflection

After concluding with this module the students will have a much better idea about what they need to do to set up their business. The Action Plan will also give them a good indication of the money required to get things started. Tell the students that in the next Module we are going to have a closer look at the different Money Flows within the business, and make a realistic calculation of revenues and profits.

Theory: Your action plan



The previous exercises helped you to identify the Tools & Equipment and the People & Skills that you need in order to produce and deliver the product or service according to what the customers want. Besides having the right tools and equipment and skilled people, there are some other things that need to happen before you can actually set up your business. For example: prepare a location for your business, buy the first lot of supplies, arrange licenses and attract the attention of your customers.

All these preparatory activities require time and money and so it is important to make a list of everything that you need to do to set up the business and estimate the expected costs associated with this. You also have to specify when you are going to do each thing. This list is called your Action Plan.

Below is a list of questions that will help you to think of everything you need to do to set up your business and develop your Action Plan:

- ▶ Where are you planning to house your business?
- ▶ Do you need to prepare the place where you are going to run your business?
- ▶ How and from where will you get the tools and equipment that you need?
- ▶ Do you need to prepare, assemble or install any of the equipment?
- ▶ Do you need employees? If yes, where will you get and train them?
- ▶ How will you get your supplies to your business location?
- ▶ How and where will you store your supplies?
- ▶ Do you need to arrange any licenses, banking or legal arrangements?
- ▶ How will you attract your first customers?
- ▶ How will you collect money from them, and what will you do with it?



Closure

Evaluation

Discuss the lesson with the students. What went well, what could have gone better, and what have they learned?

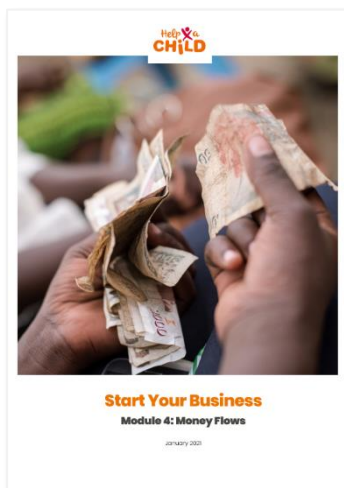
Annex

On the next pages, you find one annex for this module:

- Action plan (example)

Follow-up

This is the end of module 3 of the 'Start Your Business' training. Continue with module 4: 'Money Flows.'



Annex: Action Plan (example)

Action	Dates	Costs
Apply for business license	January 2020	\$200
Buy oven	1 st week of February 2020	\$ 2,500
Buy store inventory	2 nd week of February 2020	\$ 3,000
...		

