Guide to

GENERATING MY UNIQUE BUSINESS IDEA

An Entrepreneurship Development Workbook

ELIZABETH WAITHAKA NDEGWA

GENERATING MY UNIQUE BUSINESS ID2EA

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DEDICATION

"There is no greater agony than bearing an untold story inside you."

Maya Angelou

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INTRODUCTION

Looking around us, we can quickly pinpoint a business that started from an idea and currently stands as a bid deal for the owner and the market it serves. It is not strange to feel or think that you can start something and grow it to such levels of success and beyond.

When it comes to doing something about that feeling or thought, the process becomes a little complex, and it is evident that the success of a business enterprise requires more than meets the eye.

This workbook is designed to help you generate your unique and good-fit business idea and set the pace for the envisioned success. Additionally, it highlights practical and profitable business ventures in Kenya.

While some mentioned ideas are exciting and thought-provoking, others are simple. Still, others are based on detailed research and brilliant intellect. However, it is essential to note that some of the ideas mentioned in this book are listed randomly for interest. Therefore, they are not grouped or ranked in a specific order.

With the shrinking job market, the future is in entrepreneurship. That said, it is essential that anyone who decides to pursue and embrace entrepreneurship must be aware of the difficulty, process, commitment, demands, and sacrifices involved.

In identifying a business one can do or start, one needs to realize that a business idea could be fascinating, but it is only a business opportunity if it has a chance of success.

This workbook is designed to help you generate your unique business idea, nurture your entrepreneurial skills and aspirations and venture into business.

Objectives of the Workbook

As you work through this book, I believe that you can:

- Get equipped to plan, finance, and launch your business opportunity.
- Mentor others to conceive unique and good-fit business ideas.
- Explore linkages between entrepreneurs, the resources, and services needed to successfully launch and sustain a sustainable business enterprise.

ACKNOWLEDGMENTS

First, I would like to thank God Almighty for the countless blessings He has given me. Only by His mercies, grace, and the gifts of wisdom, patience, resilience, and calling could I consider this work a good and perfect gift from Him because of what it will do for everyone who reads it and because of what the process of putting the different thoughts and ideas together has done for me.

In the African context, it takes a village to raise a child. It has taken several people's effort, support, and encouragement to produce this workbook. While the execution, style, and shortcomings are the author's, their expertise and help must be acknowledged.

I am indebted to my nuclear and extended family, friends, teachers, lecturers, and spiritual authorities. Their diligence, support, prayers, and encouragement have helped me immensely. The Family of Waithaka Kimathi. Alice Nyokabi, you are a real gem in many ways.

I am grateful to my current and former colleagues, professionals, and some exceptional businesses, several of which are featured in this book. In addition, I thank all my clients and current and past employers who have, without a doubt, provided the most interesting and exciting environments in which to work, learn, and develop.

Finally, my gratitude goes to an extraordinary category of supporters, Charles, Michael, Austin, and Elvis, who give me hope, encouragement, and inspiration daily.

God bless you all.

CHAPTER 1

INTRODUCTION TO ENTREPRENEURSHIP

What is Entrepreneurship?

The word Entrepreneurship is derived from the French verb *Entreprendre.* It means to undertake. Entrepreneurship thus involves the following:

- Creating wealth by bringing together resources in new ways to start and operate a business. It is the process of identifying opportunities in the marketplace, employing the resources necessary to pursue the identified opportunities, and investing resources to exploit them for long-term gains.
- Designing, launching, and running a new business, which is often initially a small business. It is the willingness to develop, organize and manage a business venture along with any of its risks to make a profit.
- According to the ILO Entrepreneurship Manual 2009, entrepreneurship is the art of identifying business opportunities and mobilizing resources to convert those opportunities into a successful enterprise through creativity, innovation, risk-taking, and progressive imagination.

Therefore, entrepreneurship is a practice and process that results in creativity, innovation, the development of enterprises, and growth. Engaging in entrepreneurship turns people from job-seekers to job creators.

It is an exciting thing to think about running your own business. It is also very tempting. However, it is vital to appreciate that entrepreneurship is also involving and quite challenging.

Who is an Entrepreneur?

An entrepreneur is a business-minded person who finds ways to conceive, launch, run, grow and improve a business. They take the risk of setting up a business enterprise that provides goods or services that meet customer needs. They constantly scan the environment looking for changes that can provide the opportunity for creating new and scalable enterprises.

As you seek to venture into the world of entrepreneurship, please remember that:

- Both men and women can be successful entrepreneurs because it has nothing to do with gender.
- Entrepreneurs assume significant accountability for the risks and outcomes of new business ideas, ventures, and enterprises.
- A successful and effective entrepreneur shows creativity and innovation and is an example for other people.
- All entrepreneurs are business persons, but not all business people are entrepreneurs.
- An entrepreneur is a person who:
- Has a dream
- Has a vision
- Is willing to take risks
- Makes something out of nothing

Most of the successful businesses started as small businesses and grew over time. The registered success comes from a combination of market needs, favorable circumstances, and particular personal characteristics and skills.

Therefore, the first thing to do after choosing to set up a business is to find out if you can run your own business. Some of these qualities are outlined in the next section.

If you want to live a happy life, tie it to a goal not to people or things.

A. Einstein

Qualities of an Entrepreneur

To be successful as an entrepreneur, you need to have more of the following qualities:

1. Opportunities seeking

An entrepreneur seeks out and identifies opportunities. They seize opportunities and convert them into realistic and achievable goals or plans. An opportunity is a set of circumstances that creates a need for a new product, service, or business. Opportunities present themselves in various ways, including access to credit, working premises, education, training, etc.

2. Persevering

An entrepreneur perseveres and is undeterred by uncertainty, risk, obstacles, or difficulties which could challenge the achievement of the ultimate goal. An entrepreneur always makes concerted efforts toward the successful completion of a plan.

3. Risk Taking

For many years, risk has been seen negatively and associated with failure and loss of time, resources, motivation, reputation, and so much more. For entrepreneurs, taking a risk can be described as "following my gut feeling or intuition". However, the best way to view risk is captured by this quote by Susan Wojcicki, CEO of YouTube: *"Life does not always present you with the perfect opportunity at the perfect time. Opportunities come when you least expect them or are not ready for them. Rarely are opportunities presented to you in the perfect way, in a nice little box with a yellow bow on top. … Opportunities, the good ones, are messy, confusing, and hard to recognize. They're risky. They challenge you."*

Successful entrepreneurs tend to:

- Take responsibility for their actions
- Set their objectives with a moderate risk of failure and take calculated risks
- Gain satisfaction from completing a job well done
- Not be afraid of public opinion and skepticism

As an entrepreneur, you will gain more from taking risks than avoiding them. In fact, the more considerable regret in life will always be not taking the risk.

Benefits of taking risks include:

- Unforeseen opportunities may arise in the process
- It builds self-confidence and develops new skills
- Develops leadership qualities
- It is an excellent motivator for completing and doing jobs well
- It helps you develop emotional intelligence
- It gives you a sense of accomplishment
- It spurs creativity

The difference between gambling and taking a risk in business is in the elements of control and chance. Taking a chance in business (gamble) is applying an idea and hoping it will work. On the other hand, taking a risk means you are outset measures and define activities that will control or shape the outcome you want. Some of the considerations you need to make as an entrepreneur include:

- Is the goal realistic?
- How big is the potential reward from this risk?
- How can I minimize the potential adverse effects of taking this risk?
- What kind of support or resources do I need to help minimize or prevent potential adverse effects from this risk?
- What further information do I need before taking this risk?
- What past experiences should I review to inform the strategy for taking this risk?

4. Demand for efficiency and quality

Being efficient means producing results with little wasted effort, if any. Quality refers to the ongoing education, communication, evaluation, and continuous improvement of goods and services to meet needs in a way that exceeds customers' expectations.

5. Information seeking

Successful entrepreneurs do not rely on guesswork and others for information; they spend time gathering important business information. This information helps the entrepreneur to make informed decisions, and it includes:

- Customers
- Competitors
- Suppliers
- Relevant technology
- Current trends
- Markets, etc.

6. Goal Setting

A goal is something you want to accomplish within a particular time that contributes to realizing your dreams. Therefore, an entrepreneur must have goals and objectives which are **SMART**. This means:

- **S- Specific-** This refers to what you would want to accomplish. Goals should be well-defined and focused. Immediately you identify and narrow down on a goal, it becomes like a magnet, pulling you and your resources towards it. The more focused your energies are, the more power you generate.
- **M- Measurable-** Is it something that can be measured? How much? How many? A goal without measurable outcomes is like a sports competition without a scoreboard or a scorekeeper. Yet, numbers are an essential part of the business. Putting numbers in your goal helps you know if you are on track.
- **A- Achievable-** Is it something you can achieve one way or another? An achievable dream stretches you out of your comfort zone to allow you to grow without breaking you. Therefore, when defining your goals and objectives, dream big and aim for the stars but keep one foot firmly based on reality.
- **R- Realistic-** Is what you are aiming for possible/ practical? Your current realities, the existing business, and financial conditions determine the goal and the path you will take. For example, your goal may be to start a layers chicken farm, but the only space available is your balcony. This reality determines the alternatives you need to take to actualize the goal.
- **T-Time bound-** When? How long will it take to accomplish? A time frame within which you will achieve the identified business goals and objectives is essential.

Timelines are motivators for most people, allowing you to know when you can celebrate success. Your sense of urgency increases when you work on a deadline, and achievement will come faster.

SMART goals are also written goals. Writing your goals makes them more real and visualized. The writing becomes your point of reference for milestone achievement. Furthermore, when you achieve the objectives, you can record your journey to mark the realities, circumstances, and people contributing to your success.

Things work out best for those who make the best of the way things work out.

J. Wooden

7. Planning

Achieving entrepreneurs plan their activities and accounts as best as possible for unexpected eventualities. Planning is making decisions about the future in terms of:

- What to do
- Where to do it
- When to do it
- By whom to do it
- Resources to use

8. Persuasion and Networking

Persuasion is convincing someone to get something or make a decision in your favor. It's a way of inducing or taking a course of action or embracing a point of view through an argument, reasoning, or personal forcefulness.

Successful entrepreneurs must be persuasive, thus enhancing their ability to convince cause others to believe, respectfully argue for their stand, and prevail upon others successfully.

Importance of persuasion in business

Listed below are some areas where persuasion will apply:

- Purchasing goods from people
- Selling goods and ideas to people
- Need support from people
- Working with people
- Need to make a business case with investors, funders, etc.

On the other hand, networking is about creating and maintaining avenues for long-term relationships with mutual benefits. A network is an extended group of people with similar interests or concerns who interact and remain in formal contact for mutual assistance or support.

In business, we network with customers, suppliers, competitors, organizations, government offices, and family members. Unlike persuasion, networking is not focused on singular gains. Instead, it yields multifaceted benefits that include referral and repeat business, insights, opportunities for growth and expansion, and partnerships.

Various factors affect persuasion and networking, and they include:

- Social and cultural backgrounds and perceptions
- Communication skills, both verbal and non-verbal
- Negotiation skills
- Reciprocity. Sometimes people feel obligated to give when they receive
- Liking. people tend to say yes to people they know and like
- Scarcity. People often want more of the things they can't or don't have or have less.

Knowledge

Empowers

You

9. Building self-confidence

Confidence is subjective, emotional, and a state of mind. Self-confidence is having faith in oneself when considering a capability. Extreme self-confidence can become over-confidence when characterized by bias and someone misjudging values, opinions, beliefs, or abilities. It results in believing something or someone is capable while they are not.

A self-confident person may exhibit some of the following characteristics:

- Risk Taking. A self-confident person is always willing to take risks and go the extra mile to achieve better things
- Independent. Entrepreneurs like to be their own masters and be responsible for their decisions.
- Perseverance. This is the ability to endure and survive setbacks and continue building confidence in whatever they do and their business.
- Self-confident people can learn and live with failure. Self-confident people can rise above mockery and criticism and go on to do what they believe is right. As such, self-confidence in an entrepreneur allows them to make mistakes, learn from them and move on.
- Self-awareness. Self-confident people admit their mistakes and learn from them.

10. Listening Skills

Entrepreneurs do not impose their ideas on others. Instead, they take time to listen to other people in their sphere of influence, analyze their input in line with their thoughts and make informed decisions.

11. Entrepreneurs demonstrate leadership

Entrepreneurs do not do things by themselves. Theirs is a journey of bravery and confidence in their strengths to spend their money to do business and make profits. Subsequently, they get things done through others. They surround themselves with skilled and knowledgeable people who take on their responsibilities with aspiration and conviction. To keep these team members believing in the mission, entrepreneurs display leadership by offering support, delegating assignments, guiding them to achieve beyond what they may think they are capable of, and encouraging them towards success.

You are put on this Earth to achieve your greatest self , to live out your purpose and to do it courageously.

Dr. S. Maraboli

Entrepreneurial Factors

People venture into the entrepreneurial world for many reasons and against different circumstances. However, there are various, almost standard, motivating (internal and external) factors that enable entrepreneurs to exert higher effort to achieve their entrepreneurial goals. These are listed under personal, compelling, and success factors below.

Personal Factors

- Desire to make a decent living or improve one's living conditions
- Willingness to continue a family business
- Desire to secure self-employment or independent living
- Drive to gain social prestige or status in society
- Inclination to create employment for others
- Passion for creativity and innovation
- An innate drive to be productive and feel fulfilled

Compelling/ Force Factors

- Unemployment
- Dissatisfaction with the present job
- Existing technical or professional skills
- Need to maintain a large family or dependents
- Revival of a collapsed business
- Retrenchment or retirement from formal employment
- Desire to increase value
- Lack of family support

Success factors

- Success stories from other entrepreneurs
- Association with people who have undertaken the same kind of an enterprise
- Previous employment in a similar activity
- Inherited or self-acquired property
- Availability of advice from other people
- Knowledge/ skills gained through education
- Availability of assistance from financial institutions
- Availability of technology
- Access to raw materials
- Realization of possible high-profit margins made by others in the same business
- Encouragement from other big businesses
- Demand for a product
- Utilization of excess money
- Availability of assistance from the government
- Availability of market contacts
- Attended formal vocational training classes/ hands-on training or acquired practical skills through apprenticeship
- Received formal/ informal training in entrepreneurial skills/ business skills training
- Successful role models
- Availability of fertile lands to grow your crops

- The character of the entrepreneur
- Customer relationship management

There are various reasons why people fail to undertake businesses they may be interested in. They include:

- Lack of start-up capital or other required resources
- Lack of market knowledge or familiarity
- Lack of business know-how
- Lack of a viable concept or applicable guidelines
- Lack of technical skills
- Lack of motivation
- Lack of time (Time pressure and distractions)
- Legal constraints and regulations
- Social stigma
- Market monopoly and protectionism (these lead to high entry barriers)
- Poor health conditions
- Migration from one community to another may be due to marriage or joining your partner in another community
- Peer pressure
- Poor infrastructure, e.g., bad roads
- Personal greed (i.e., somebody wants to get rich quickly)

Strengthening your entrepreneurial skills

It is possible to strengthen your entrepreneurial skills. The following are some tips on how to do that:

- Talking to people in business so you can learn from them
- Get some training, enroll in a course to study specific areas that you need to improve in
- Work as an assistant/apprentice in a successful business
- Read books and business articles that will help you to develop your business skills
- Partner with someone who compliments your strengths and weaknesses instead of going into business entirely on your own
- Talk to family and friends about the difficulties of running your own business and persuade them to support you.
- Study successful business people while learning that your success depends mostly on your own efforts
- Develop the ability to consider and assess a problem and take risks
- Increase your motivation by making a plan for your future
- Deliberately increase your resilience and train yourself how to deal better with different kinds of crisis
- Become more open to new ideas and other people's views
- Learn from your own mistakes
- Increase your commitment to work and realize that only hard work brings success

Types of entrepreneurship

- Small business entrepreneurship
- Large company entrepreneurship
- Scalable start-up entrepreneurship
- Social entrepreneurship
- Innovative entrepreneurship
- Hustler entrepreneurship
- Imitator entrepreneurship
- Researcher entrepreneurship

My mission in life is not merely to survive but to thrive and to do so with some passion, some compassion, some humour and some style.

Maya Angelou

Types of businesses

- **Retailers**

Retailers purchase mass-produced goods from wholesalers or suppliers for resale at a profit. However, this business does not allow entrepreneurs to put huge markups (also known as profit margins) on their products. Sometimes, the markup level causes competition and distinguishes one retailer from another. Examples are grocery stores, general shops, computer, and mobile phone shops, etc.

- **Wholesalers**

Wholesalers buy large quantities of products which they break into smaller amounts and resell to retailers. Consequently, wholesalers add a small markup to their products and sell higher volumes to make profits. Wholesale businesses usually require more capital to start compared to retail setups.

- **Manufacturing**

Manufacturers source raw materials, such as leather, wood cloth, etc., to make new products for people to use. Generally, entrepreneurs engaged in manufacturing or processing business usually earn more profits because they have more areas to add a markup to their products than the wholesalers and retailers. Manufactured products include cooking oil, school uniforms, furniture, cakes, bread, vehicles, and medicines.

- **Service**

A service refers to an act that individuals or businesses are willing to pay for, such as transport, cleaning, consultancy, treatment, etc. Entrepreneurial service providers sell a particular service without many inputs.

For most of them, labor and the tools/ equipment used to deliver the services are their primary costs. e.g., transporters, consultants, cleaning services, etc. As a result, service providers earn a higher markup than retailers and wholesalers.

- **Agriculture, forestry, and mining**

This involves extracting raw materials from farming, logging, and harvesting land and water resources. People who venture into this kind of business keep looking for new high-value products, e.g., organic fruits and vegetables. They could also look for ways of adding value to their products by adding value by preserving or processing them.

- **Multi-faceted**

Some businesses, such as car repair shops, restaurants, and hotels, are a combination of retail and service. For example, some vehicle garages will do motor repairs and sell oils and spare parts**.** A consultancy firm may offer advisory services and, at the same time, sell equipment for the industry in which they are consulting. A restaurant combines retail, manufacturing, and service.

Believe in your heart that you are meant to live a life full of passion, purpose, magic and miracles

The 30 Minute Elevator Pitch

Your Motivation

- Why do you wake up in the morning and do what you do?

Your Objective

- What do you intend to achieve?

Your Product

- What are you selling?

The problems

- What problems are you solving with your business?

Your value proposition

- What makes you stand out from your competition?

The testimonials

- What do your customers say about you?

Call to action

- How do you get customers to interact with your product?

Entrepreneurship readiness assessment

Being your own boss can be wonderful and exciting, but it is not for everyone. Anyone considering starting a business must evaluate if they are well suited for it, personally and professionally.

Are you ready to be in business? Take this readiness assessment to evaluate yourself.

Notes:

Set aside time to answer the following questions honestly.

There are no right or wrong answers to these questions. This self-evaluation is designed to help you think through critical aspects of your personal and business readiness to be self-employed. It will help you to:

- *Assess your reasons for going into business*
- *Assess your skills and qualifications for being in business*
- *Set personal and business goals*
- *Determine if this is the right time to start your business*
- *Judge whether you have the freedom, flexibility, and resources to start the business*
- *Consider your health and stamina*
- *Evaluate how you will balance Personal family and business.*

Questions

- Why do I want to start a business?
- Specifically, what kind of business do I want to start?
- Think about your life, and list the five significant achievements in business/personal life.
- Why do I believe I can make this type of business work?
- Think about your strengths in running a business. Then, write four of them of which you are most proud.
- Think about what is important to you and where you envision your business in the future. What is the goal of your business?
- Why do I believe this type of business is sustainable?
- What education, skill, or experience do you have in the industry you want to venture into?
- What do I need to know, do or learn to accomplish my business goal?
- What is the true purpose I hope to accomplish with this business?
- What is the most pressing financial goal that I am seeking to achieve?
- Suppose I will need financing to run this business. Do I have the resources and creditworthiness necessary to access the same?
- What are my strengths, weaknesses, opportunities, and threats?
- Am I aware of the true state of my physical, mental and emotional health and stamina?

- What knowledge and skills do I have that will help me start and control the day-to-day operations of this business?
- Do I know and understand the technology necessary to be competitive in this business?
- Do I have good judgment in people and ideas?
- What sacrifices and risks will I be willing to take to help me succeed?
- What will balancing my personal life and business demands look like? What sacrifices will I have to make?

You have to see failure as the beginning and the middle, but never entertain it as an end.

Jessica Herrin

My action plan notes

Development
Seed & Launch
Start up
Growth
Expansion
Team Building
Maturity
Sustain
Transition
Sell/Reinvent
Life Cycle
of Business

CHAPTER 2

MY UNIQUE BUSINESS IDEA

Every successful business is born from a business idea. However, there is a big difference between a business idea and a business opportunity. An idea is an opportunity only if it has a chance to succeed.

First, you must make time to critically evaluate any business ideas you may have to decide if they are actual business opportunities for you before embarking on the entrepreneurship journey. Albeit, some people in the 21st century are likely to say some ideas don't need to be thought through – just implement and figure out along the way – it's the principle of striking the iron while it is hot.

Seasoned entrepreneurs will most likely respond that such ideas fall into two brackets: one, a bright idea that had brewed quietly in the entrepreneur's mind waiting for the perfect opportunity, or two, it is a one-in-a-million idea that had a lucky break!

If your business idea does not fit into either of these two categories, this is just the book for you. But, if it does, this book will help you manage the highs and lows of the entrepreneurship journey.

Second, becoming a successful entrepreneur depends not only on the viability of your business idea and/ or opportunity but also on who you are.

This chapter will guide you in shaping your unique business idea to ensure you actualize it to its fullest potential.

If you cannot figure out you're your purpose, figure out your passion, for your passion will lead you right into your purpose.

Bishop T. D. Jakes

When you have a business idea, you will want to support it with information about customers, the market, finances, management, and other intricate details. Unfortunately, many novice entrepreneurs make the mistake of launching businesses without having the customer in mind. Instead, their only focus is the financial returns or personal satisfaction that will come from the "unique idea".

To grow your business idea, you must understand that it is a short and precise description of the basic operations of an intended business. Overall, your business idea should sufficiently address four key areas.

Market needs

A business exists to satisfy a need in the market, thus determining which category of customers you will serve. Therefore, your business idea should solve a real need faced by your target customer. For example, if you decide to open a baby daycare center in an estate, which need have you identified that will be resolved by this business? Are these needs so pronounced that a daycare center will be the answer?

Answering these questions will help you identify the customer, the location, the quality, and sometimes, the pricing for your goods and services.

When needs are met through your business, there will be an increase in your customer base and which will, in turn, bring tremendous growth to your business. Therefore, focus on what your future customer will need and want.

Here are some guiding questions:

- Which unfulfilled need will you be meeting for your customers?
- Will you be solving a new problem, or is it an old problem you are solving in new ways?

- Are the needs you have identified the actual needs, or are there other underlying demands?
- Will your business create more needs, hence opportunities for additional business ideas?

Products and Services

A product is something that people get in exchange for their money. It may be something that you will make yourself or buy for resale. For example, retail goods, tools, baked goods, and clothes are all products. A service is something you do for people, and they pay you for your time, effort, and input. Examples include housekeeping services, repairing items, delivery services, shoe shining, etc.

There are two elements to this aspect of developing your business idea.

- Understanding.

It is vital to base your business idea on goods and services you are familiar with and grow your enterprise from that firm foundation. Because growing a business from zero is an arduous task by itself, you will want to avoid the steep learning curve for products and services that you do not know.

A freelance accountant who offers bookkeeping services to a salon may see that it is a cash-rich idea and therefore decides to run a salon. This would be a dreadful mistake because he may not understand how to manage salon staff, source customers, preferred products, and most of all, the day-to-day running of a salon. It will probably require him to suspend being an Accountant for a while so that he may know the ins and outs of the salon business.

- Uniqueness.

Having identified a need, you must provide solutions (products or services) that are to the quality expected by the customers (or better). Also, your pricing, product/ service availability, reliability, and acceptability are crucial to making your unique business idea succeed.

In the example of a daycare center, the entrepreneur should consider the social status of the parents he is targeting and set up a facility that matches up to their lifestyle, or better, at a price they can pay.

Questions about products and services can be answered through formal market surveys and/ or informal observations.

- What goods or services do your customers want?
- What levels of quality do your customers require?
- What knowledge and information do you have about these products?
- What positive and negative impacts will your business have on your community and the natural environment?

It is never too late to be who you might have been.

G. Elliot

The Customer

Customers are essential to every business, whether it makes a profit or not. Citizens, for example, are customers in government offices. In generating your business idea, you must determine who your customer is, i.e., who will **pay** for your products/ services and who will **use** your products/ services. It is the customer who allows your business to thrive.

In some businesses, the one who pays is not necessarily the product or service user. If we explore the idea of being a blogger for corporate organizations, there are two customer levels you will be dealing with. The first is the organization that is paying you to write articles for them, and the second is the organization's customers who are consuming the content.

You must also take the time to understand your customers based on who, how, and where they are if you intend to offer a targeted business and satisfy the customer (also known as niche). For example, is your business idea for a specific group or for everyone in a certain locality?

Success is not final. Failure is not fatal. It is the courage to continue that counts.

W. Churchill

When identifying your customers, remember that they pay for what the business offers and not for the greatness of the idea or its celebration.

For your business to make profits, there must be enough people who are able and willing to pay for your products and services. The most crucial factor to consider in determining who your customers will be is demographics. Demographics refer to details about a population's age, race, and gender. To do this, ask yourself the following questions:

Basic demographics you can use to narrow down and define your market :

- Age
- Gender
- Location
- Interests/Hobbies
- Income Level
- Education Level

- What is the population of my customers like in terms of numbers, average age, marital status, education levels, family sizes, and structures?
- What are their income levels? I.e., will I be targeting low-income, middle-class, or high-income earners?
- Why will they buy what I am offering? Is it a basic need for entertainment, status, luxury purchase, or social pressure?
- What are their social-economic backgrounds?

Establishment

This aspect of your business idea refers to how you are going to sell your goods and services', e.g., some may choose to have a shop where customers come to fit their clothes while others may choose to have an online shop as facilitated by technology. A manufacturer may set up a factory nearer the source of the raw materials. At the same time, another may opt to do value addition before it gets to the processing factory, which may be a long distance away.

In other circumstances, for example, a manufacturer can sell directly to customers or to retailers. This will be answered by the competition levels or anticipating your customers in terms of where they will be buying, i.e., locally or internationally.

Impact

Business ideas whose purpose is greater than financial gain will often have more success than businesses established for the sole purpose of profit-making. Suppose your proposed business works in harmony with the social and natural environment. In that case, it has a higher chance of sustainability in the long run. As an entrepreneur, it is essential to consider how much your business will depend on its environment and what impact it will have. This can be done by answering the following questions:

- Does my business depend on the weather, soil, or other natural resources?
- Will it need any specific type of labor from the local community?
- Does it need the local community to support it?
- Will your business nurture the natural environment, or will it have a detrimental impact?
- How will you minimize or reverse any adverse effects your business might have on the natural environment?

Other important factors to consider

- Where can you get advice and information about this business idea?
- Will this be the only business of its kind in your area? If there are other businesses, how will you compete effectively?
- Why do you think this business will be viable?
- Does this business need equipment, premises, or qualified staff?
- Will you get the finances needed to provide what is required?
- Where will you get the finances and other resources to start this business
- What are your proposed business's strengths, weaknesses, opportunities, and threats? (This will be dealt with in a later chapter)
- Will your business contribute to conserving the environment and reducing waste through reducing, recycling, repairing, and re-using?

FINDING YOUR GOOD FIT BUSINESS IDEA

Ideas are everywhere, but they must match what the customers want and can pay. A good business idea is based on the needs of customers and:

- A product or service that customers want.
- A product or service you can sell at a price that customers can afford
- A product or service that will give you profits.
- Knowledge or skills that you have or can acquire.
- The resources and money you are willing to invest in the business.

Where do business ideas come from?

- You can get your unique business idea through:
- Innovation
- Observation
- The media - both mainstream and social media., e.g., Newspapers, Television
- Brainstorming
- Forecasting what people or other businesses might want
- Scanning your environment
- Learning from successful business owners
- Education background
- Market places, training sessions, workshops, and seminars
- Prospective and potential customers
- Brokers and traders within a region
- Agricultural research organizations
- Universities and community colleges
- Agribusiness and other business consultants, Government agencies, such as the Ministry of Agriculture, the Ministry of Commerce, the Forestry Development Agency, etc
- The internet
- Abilities and experience, e.g., work experience, practical knowledge, technical abilities, etc. This could be your own experience or other people's experiences
- Natural talent
- Creativity

- Resources from nature
- Trade fairs & exhibitions
- Imports substitution
- Hobbies and interests, e.g., telling stories, drawing, listening to music, sports, etc.
- Waste products
- Small jobs around the home can be excellent sources of business ideas, e.g., growing vegetables, cooking, dancing, looking after children, etc.
- People's comments about poor services
- Difficulties encountered while trying to accomplish something
- Health challenge or sickness
- Environmental problems
- Characteristics of people in the local community

Failure is not to be feared. It is from Failure that most growth comes.

R. Hock

QUALITIES OF A GOOD BUSINESS IDEA

Business ideas vary in nature, but certain foundational parameters qualify them as ideal for implementation. This section of the workbook identifies some of these qualities.

- **Motivation**

Entrepreneurs tend to be more successful when they want to start an enterprise than when they feel forced to create an enterprise.

- **Market demand**

Entrepreneurs have to be able to sell the product or service. Is there a local market where people want to buy the product? Is there a potential market for a new product?

- **Competition**

Are other people providing this service or product? Are they doing well? What challenges are they having? What price do they charge? Are they selling all they can produce? Can you provide the same product for a lower cost, at higher quality, or a different type of the same product?

- **Legal requirements**

What are the legal requirements for creating an enterprise and producing and selling this product or service? Can you meet these requirements?

- **Risk**

What things go wrong when producing and selling this product or service? What are the challenges (e.g., weather, pests and disease, and rotting crops)? How will you pay for these problems?

- **Inputs**

Can you get what is needed to produce the product? Inputs are all the things you need to produce a product or service, including seeds, tools, land, and money or credit.

Associations.

Is there an association that you can work with? Is membership helpful to your enterprise? Is it better produced as a group of people?

EXAMPLES OF BUSINESS IDEAS

Look at some examples of businesses below and try to get a good fit for yourself.

Area of focus	My business idea
Grain Processing	♦ Fried & Packed nuts ♦ Peanut butter ♦ Simsim processing ♦ Maize flour processing and packing ♦ Porridge flour processing and packing ♦ Wheat flour processing and packing
Meat Sales &Processing	♦ Meat balls & burgers ♦ Sausages & samosas ♦ Meat pies ♦ Raw Meat sales and supplies

Coffee Processing	♦ Wet coffee processing ♦ Dry coffee processing ♦ Drinking coffee powder ♦ Coffee berry for chewing ♦ Coffee husks for making briquettes
Fish	♦ Fish farming ♦ Fish ponds ♦ Fish drying ♦ Fish feeds making and packaging ♦ Piggery, poultry feeds making
Vegetables	♦ Green vegetables supplies ♦ Processed and packed vegetables ♦ Green vegetables farming ♦ Grocery store
Honey	♦ Bees farming ♦ Honey Processing ♦ Wax making
Bakery and Confectionary	♦ Baking of all sorts of bread ♦ Biscuits and cookies ♦ Cakes from Cassava, Soya, Bananas ♦ Chocolates making ♦ Sweets making

Milk processing (Cattle, goat, Carmel)	♦ Ghee ♦ Butter ♦ Yoghurt ♦ Milk packaging and supplies
Metal works	♦ Windows/ gates doors ♦ Machinery/ Equipment's ♦ Furniture, e.g., shelves, beds ♦ Motor bodies
Wood works	♦ Wooden furniture ♦ Floor sanding ♦ Woven furniture ♦ Wood sculptures and carvings
Leather Processing	♦ Shoes/ Sandals ♦ Wallets ♦ Belts ♦ Bicycle seats ♦ Hand bags
Art Work	♦ Beads making ♦ Jewelry ♦ Accessories
Textiles	♦ Second-hand clothes ♦ Fashion and design ♦ Tie and dye ♦ Towels ♦ sweaters

Fruit Processing	♦ Fruit juices ♦ Fruit jam ♦ Tinned fruits ♦ Solar dried fruits
Clay /Ceramic Products	♦ Bricks making ♦ Tiles making ♦ Pots, Cups, Plates-making ♦ Clay carvings & Sculptures
Sand works	♦ Concrete blocks ♦ Concrete tiles
Production line	♦ Balloon making ♦ Buying raw cotton ♦ Spinning cotton thread ♦ Cloth production ♦ Dying ♦ Silk Screening ♦ T-Shirt production

Every problem is a gift. Without problems we would not grow.

A. Robbins

Services	♦ Consultancy ♦ Medical services ♦ Agency for home-based care ♦ Garbage collection ♦ Graphics design ♦ Mentorship ♦ Catering ♦ Training and teaching ♦ Electrical repairs ♦ Transport ♦ Retail shop ♦ Emceeing ♦ Swimming Coach ♦ Catering/ Restaurant business ♦ Laundry and dry cleaning ♦ Cyber services ♦ Digital marketing ♦ Books store ♦ Publishing books ♦ Pillow stuffing from offcuts ♦ A catering service delivering lunches in offices

Questions to ask yourself

- What problem am I solving?
- Is it a new problem for which I am offering a solution?
- Am I solving an old problem?
- Am I applying new ways to solve an existing problem?
- Do I have a head start on the solution I am offering?
- What exceptional service could I offer my customers?

Entrepreneurship is not just a label– it is a lifestyle.

Richard Branson

Exercise

- At this point, you may have a few possible ideas for your dream business. To select a unique idea for yourself, make a list of at least five and not more than 20 by thinking carefully about each of them.
- Go through your idea and make notes about each by answering these questions:
- What is/ are my business idea (s)
- Which customer needs will I satisfy with this business idea (s)?
- Who are the likely customers to whom I will sell? Are they enough in number to make my business viable?
- What products or services do my customers want?
- What quality of the products do my customers want?
- Who are my competitors?
- What do I know about the product or service for this business?
- How will I be able to supply goods and services the customers want?
- How does running this kind of business suit my characteristic and abilities?
- How do I know the need for this business in my targeted area?
- How do I imagine myself running this business in ten years?
- How much will my business nurture the natural environment, or will it have a detrimental impact?
- How will I minimize or reverse any adverse effects the business might have on the natural environment?

Business growth pillars

- Strategy & Planning
- Sales & marketing
- Repeat business
- Customer service
- Financial Mastery
- Delivery Mastery
- Systems
- Teams
- Grow your profits
- Leadership & Management
- Time Management
- Emotional Intelligence
- Wealth creation

My action plan notes

CHAPTER 3

THE SUSTAINABLE DEVELOPMENT GOALS (SDG's)

In July 2017 Sustainable Development Goals (SDG) Business Forum recognized the critical role of business in delivering on the promise of sustainable and inclusive development. They are also called the God goals/ global goals. The SDGs address the global challenges that we face. They hold great possibilities for business. They will help us define our inspirational purpose and ignite a long-lasting positive change that will increase value in your business in the long term.

For a business, SDGs imply conceiving a business idea and adopting business strategies and activities that meet the needs of the business. Companies contribute to SDGs in 3 ways:

i) They are engines for employment
ii) They promote technological innovations
iii) They are the sources of finance

It is important for businesses to engage in global goals. This is because the global goals provide a framework for generating revenue, providing business growth opportunities, and fostering innovations in products and services

Choose your dreams over your fears.

C. Green

THE S.D.G.S AND THEIR MEANINGS

S.D.G	Meaning
	End poverty in all its forms everywhere. Promote access to basic human needs of health, education, and sanitation.
	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture. Provide food and humanitarian relief in different forms and establish sustainable food production.
	Good health and well-being. Ensure healthy lives and promote well-being for all at all ages.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
	Achieve gender equality and empower all women and girls.

	Ensure availability and sustainable management of water and sanitation for all. Improving access for billions of people who lack these basic facilities.
	Ensure access to renewable, affordable, reliable, sustainable, widely available, and modern energy for all.
	Promote sustained inclusive and sustainable economic growth, full and productive employment, and work for all.
	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovations.
	Reduce inequality within and among countries.

	Make cities and human settlements inclusive, safe, resilient, and sustainable.
	Ensure sustainable consumption and production patterns.
	Take urgent action to combat climate change and its impacts.
	Conserve and sustainably use oceans, seas, and marine resources for sustainable development.
	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss.

	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels.
	Strengthen the means of implementation and revitalize the global partnership for sustainable development.

I have always been famous, its just that no one knew it yet.

Lady Gaga

Products Value addition

Entrepreneurs can add value to their products through one of the following approaches:

- Make and sell a product that is not already found on the market.
- Produce a high quality product that meets food safety and/ or quality criteria. Good quality is very important.
- Respond to a specific consumer demand in the region. Targeting a specific consumer need can add value.
- Reduce production and operational costs.
- Producers who cannot raise their prices can still raise income by working efficiently and producing the same product with less expense, labor, or time. and Ensure overall quality of production.
- Producers who reliably deliver high quality products on time and consistently meet the needs of buyers build a reputation and increase the value of their products.

Are you ready to pursue an SDG -aligned start-up? Every SDG provides business opportunities. Here are some examples:

SDG.	Examples of Business Opportunities
1.	♦ Detergent manufacturing ♦ Eco-friendly stoves ♦ Make Solar powered source of energy ♦ Microfinance organizations ♦ Financial Education Services
2.	♦ Farms in urban locations to grow and sell vegetables ♦ Agtech sensors to monitor crops and improve yields ♦ Agricultural education platforms
3.	♦ Micro-insurance for basic health services ♦ Health services provisions ♦ Mental health monitoring apps ♦ Public health research, education, and data analysis platforms
4.	♦ Training programs for Women entrepreneurs ♦ Mentor networks for women in specific sectors ♦ Gender bases Human resource organizations ♦ Online courses ♦ Training program for specialized groups of people ♦ Include Lifeskills lessons in the basic curriculum

5.	♦ Developing sensors for water pollutants and leakages ♦ Technologies to reduce water usage in the agriculture and energy sectors ♦ Human waste recycling
6.	♦ Solar-powered lamps and devices ♦ Technologies to reduce dependencies on expensive inputs for energy production ♦ High-frequency energy trading (increases market efficiency).
7.	♦ Finance and tech career preparation programs ♦ Entrepreneurship training programs ♦ Economic development data collection, analysis, and/ or policy design
8.	♦ Manufacturing software ♦ 3D printing ♦ Designing new reusable construction materials
9.	♦ Training entrepreneurs in emerging markets ♦ Training workers in emerging markets for finance and technology jobs ♦ Advising emerging market governments on empowering their populations

10.	♦ Sustainable small business ownership (e.g., coffee shop) ♦ Adaptive reuse architecture or construction ♦ Smart city data collection, analysis, and/ or policy design
11.	♦ E-commerce with sustainable and fair trade supply chains ♦ Consumer education platform on product supply chains and SDG alignment
12.	♦ Forecasting the impacts of climate change on businesses and governments ♦ Calculating businesses' impact on the climate and advising investors ♦ Ride-sharing platforms, e.g., UBER
13.	♦ Harvesting and selling invasive species ♦ Develop sensors and technologies to prevent ocean pollution (e.g., oil spills)
14.	♦ Nature tours (e.g., safaris) ♦ Free-range animal farming
15.	♦ Government accountability platforms ♦ Platform/consultancy analyzing risk factors in regions around the world
16.	♦ Social sector networks

Financial Institutions and their Services

- Commercial Banks (Banking services)
- Investment Firms (Wealth management)
- Microfinance Institutions (Financial support services)
- Savings and credit cooperative societies (Savings and credit)
- Insurance Companies (Insurance)
- Brokerage Firms (Advisory)
- Planning Firms (Wealth management, Advisory)
- Mobile banking providers (Funds transfer services)

The main criteria for choosing a financial institution is whether it will help you meet your financial goals through their services such as savings and loans. Use the 3C's to decide which financial institution to select

- Costs
- Convenience
- Clients

My action plan notes

Never be limited by people's limited imaginations of you.

M. Jamison

CHAPTER 4

DISCOVERING MY LIFE PURPOSE

What is Purpose?

The Late Dr. Myles Munroe, author, speaker, and leadership consultant, once said, "The two most important days of your life are the day you were born and the day you find out why". This is a fact that is evidenced by King Solomon, who said, "*Even if a man fathers a hundred children and lives many years, even if he lives a long, long time, but cannot enjoy his prosperity even if he were to live forever - I would say, "A stillborn child is better off than he is*." (Ecclesiastes 6:3, New English Translation).

From the above, we can derive that purpose is the reason for which something is done or created or for which something exists. For example, your life's purpose is your calling, something you want to achieve before you die, a cause that drives you and shapes your decisions. It is something you dedicate your life to attain or fulfill, and when you are not working on it, there is a distinct element of restlessness.

Every human being has a unique nature, which might sometimes be referred to as "how they are wired". As such, everyone has a distinct purpose they ought to fulfill, which should motivate them and give them a reason for getting up in the morning.

As an entrepreneur, your life purpose is the most-leading indicator of your business idea and other life decisions. It influences your behavior, shapes your goals, offers you a sense of direction, and creates meaning. Therefore, aligning your business ideas with your life purpose and passion is imperative to ultimate success.

Unfortunately, many people struggle to create their dream life or businesses. The solution would be to find their exact life purpose and calling and then align all areas of their lives in that direction. Nature seems to have it that discovering your business idea in your life purpose means your business will be more market relevant and fulfilling, to the extent that the business can be described as being "made for a time such as this".

Of course, to succeed and make profits is essential, but pursuing your life purpose and mission brings fulfillment and priceless gains that money cannot buy.

What would you rather have – money only, fulfillment only, or both? An entrepreneur whose business is aligned to his purpose enjoys both

Many people create a product and start selling it without aligning their business structures to their life purpose. With this approach, they toil, struggle and apply all manner of tactics to get more customers and clients. Without this vital alignment, the results will never be what the entrepreneur expected, which is why many businesses fail to make a profit for years and later close down.

Consequently, doing business without alignment of purpose will be like going to the ocean of abundance with nothing but your hands. It might be fun and feel good, but you will not be able to carry much abundance home with you because you have no structure to hold or carry it.

DEFINING YOUR LIFE PURPOSE

Defining your life purpose is like writing your life history while still alive. It involves hearing the music of the future and looking beyond where you are and what you are doing to see yourselves from God's perspective.

As stated earlier, living a meaningful life is more than just the pursuit of money or happiness. Discovering your passions and understanding your purpose allows you to connect deeper to something greater beyond yourself.

Defining your purpose allows you to know your "why", which is key to making your actions more meaningful and fulfilling. To easily understand your why, you need to be fully present and engaged in your life. Take mindful moments and reflect on some of these practical tips to help connect to your purpose.

♦**Map your values and beliefs:**

Know what you stand for. Do what you believe in.

♦**Self-awareness through reflection:**

Gain deeper insight through journaling to contemplate and discover your "best self".

♦**Play to your strengths:**

Do more of the things that you are good at that can energize you.

♦**Pursue your passion:**

Don't forget to engage in hobbies and activities that give you pleasure.

♦**Make self-care a priority:**

Remember to take care of yourself first before you take care of others.

♦**Roadblocks and barriers:**

Understand what's holding you back. Then, re-frame those faulty stories and excuses you tell yourself with a new positive narrative.

♦**Share your coins:**

Don't underestimate the impact you have on others. Imagine your life experiences as valuable coins. Share them but also get inspired as a "coin" collector.

♦**Take time to recharge:**

Consider a short break or a longer vacation to rest and recover so you can be refreshed for what's next.

♦**Life is an adventure:**

Continue to reflect and re-frame your purpose as your situation changes. Be agile, adapt, and reiterate.

DISCOVERING YOUR LIFE PURPOSE

Undoubtedly, purpose gives us direction. Without it, we may feel lost or unfulfilled, hence the inclusion of this section in this workbook.

Use the following tips to help you identify what's important in your life to make daily choices that align with your values.

- **Turn to the Bible**

God has left us with a wealth of knowledge of the Bible to help us. This Holy Book, I believe, is designed to guide us to live a life with both passion and purpose, with Jesus Christ as the centerpiece of it all. Therefore, we must continue to learn who Jesus Christ is and what He defines as our purpose in life. We're created in God's image, and Chris's life reflects many character traits we should seek to live out daily.

Rick Warren, a pastor and author of "*The Purpose Driven Life,*" talks about God's intentions to use our talents to do well in the world and explains God's purposes for us.

- We were planned for God's pleasure - Your first purpose is to offer authentic worship.
- We were formed for God's family - Your second purpose is to enjoy genuine fellowship with others
- We were created to become like Christ - Your third purpose is to learn true discipleship.
- We were shaped to serve God - Your fourth purpose is to practice bible-based ministry.
- We were made for a mission - Your fifth purpose is evangelism.

- **Expand your horizon**

The following exercise will help you clarify your purpose by filtering out the superfluous and leading to something greater than yourself.

On a piece of paper, list what you consider important things to you. Dream big! Be spontaneous. You should have at least 10 – 20 items on your list and include:

1. Your core beliefs and values
2. Other characteristics and traits that define you
3. Activities that you love and come naturally to you
4. Your unique gifts, talents, and passions
5. People that are important to you

Core beliefs & values	Characteristics & traits	Activities you love	Gifts, talents, and passions	Significant others
1.				
2.				
3.				
4.				
5.				

- **Narrow your focus**

Edit your list down to just five words or phrases. These form your non-negotiables. If it feels too difficult, start by paring the list down to 20, then to 10, and eventually to five.

- **Tell your story**

Weave these words into a short narrative or a passionate tweet about why your life matters. This is your **true north**, the compass guide that keeps you on track in your journey of purpose. Keep it close to you and refer to it often. It will guide you in day-to-day actions and decisions along the way.

Finally, I encourage you to share your story to inspire others for a sense of ownership and greater self-awareness.

While there is no definite way of phrasing your true north, here are some samples you can reflect on. Then create your unique true north narration.

"I shall not fear anyone on Earth. I shall fear only God. I shall not bear ill will toward anyone. I shall not submit to injustice from anyone. I shall conquer untruth by truth. And in resisting untruth, I shall put up with all suffering." – Mahatma Gandhi

"To be a teacher. And to be known for inspiring my students to be more than they thought they could be." –Oprah Winfrey

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"My life purpose, to love and honor God, is foundational. My professional purpose is to be a 'Builder' of a future that transcends ways of working for the wellbeing of people and businesses throughout the world." –Miles Everson, Former Vice Chairman, PwC US

"Not merely to survive, but to thrive; and to do so with some passion, some compassion, some humor, and some style." –Maya Angelou

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"To serve as a leader, live a balanced life, and apply ethical principles to make a significant difference." –Denise Morrison, Former CEO of Campbell Soup Company

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To play a significant role in creating a company culture where all workers feel appreciated, so they feel like their time with the company is a worthwhile investment in themselves, their families, and their future.

To use my cooking skills to bring families and individuals nutritious, tasty food options.

To touch the world with my art and be an outlet for others to express or feel that someone else is expressing their true vulnerabilities and feelings. My art will do more than entertain; it will make people feel supported and understood.

To look at challenges or failures as stepping stones placed in my path so that when I do realize my full potential — my purpose — that purpose will be that much greater, better, and appreciated. To be a positive presence to others, to help them view life in the same way.

To work with and serve the elderly in a way that makes them feel valued, needed, and like an integral part of a thriving society.

Remember, discovering your life purpose is a journey with stops and changes, and you may sometimes change how your phrase it, but the essence of your true north will hardly change.

Great things in business are never done by one person. They are done by a team of people.

Steve Jobs

Heeding to your life's calling

In the book *Unlocking the Power of Your Purpose,* Dr. John W. Stanko defines our purpose as our divine calling, and each call represents a core gift. Here is a list of what the author calls life-calling cards.

Read through them to see if something stirs you and see whether any of them closely describes who you are and what you have been called to do or be. Then, you can somehow modify it to make it a better fit for you.

Realistic calling cards

- Building things
- Fixing things
- Growing things
- Making things work
- Shaping environments
- Solving problems

Conventional calling cards

- Doing the numbers
- Getting things right
- Operating things
- Organizing things
- Processing things
- Straightening things up

Investigative calling cards

- Advancing ideas and things

- Analyzing information
- Getting to the heart of matters
- Putting the pieces together
- Researching things
- Translating things

Enterprising calling cards

- Bringing out potential
- Empowering others
- Exploring the way
- Making deals
- Managing things
- Opening doors
- Persuading people
- Starting things

Social calling cards

- Awakening spirit
- Bringing joy
- Building relationships
- Creating dialogue
- Creating trust
- Facilitating change
- Getting participation
- Giving care

- Healing wounds
- Helping overcome obstacles
- Instructing people
- Resolving disputes

Success is not about acquiring things, its about discovering your life purpose and following the call.

Elizabeth Gilbert

CLUES TO DISCOVERING YOUR LIFE PURPOSE

For some people, discovering their life purpose is a deliberate effort, and for some, it is accidental. This section is dedicated to highlighting clues that can help you discover your life's purpose.

- **What do you love to do?**

Your purpose is directly related to what you love. The most purposeful people in the world spend their time doing what they love. Bill Gates loves computers, Oprah loves helping, and Edison loved to invent. What do you love? Is it reading, writing, playing sports, singing, painting, business, selling, talking, listening, cooking, or fixing broken things? Whatever you love, it's directly related to your purpose.

- **What do you do in your free time?**

Whatever you do in your free time is a sign of your purpose. If you like to paint in your free time, cook, talk, sing, take care of animals, etc., all those are indicators of your purpose. Follow the signs.

- **What do you notice?**

Purpose is sometimes discovered out of failures in the community, workplace, or in one's house.

- A salesman notices an uninspiring sales pitch
- A hairdresser notices someone's hair is out of place
- A designer notices an awkward outfit
- A mechanic hears a strange noise in your car
- A singer notices when someone's voice is out of pitch
- A speaker notices an uninspiring speech.
- What do you notice? What annoys you?

♦**What do you love to learn about?**
What kinds of books or magazines do you like to read? Do you read about cooking, business, or fishing? Whatever it is, it's a sign. I'm always reading about self-development, particularly as it relates to successful living. But, of course, this is also related to my purpose, which is to teach people how to succeed.

♦**What sparks your creativity?**
Is it painting, designing, building, speaking, or selling?

♦ **What do people compliment you on?**
Put together the pieces of your past. Your childhood stories, e.g., the games you liked playing as a child or what you spent your time daydreaming.

It could even be how you live out your name.

♦ **Positive and negative life experiences.**

There could be experiences that keep repeating themselves in your life

- What makes you happy?
- What makes you cry?
- Personal interest
- Pain in life
- Reading a certain book

Change is inevitable.

Growth is optional.

J.C. Maxwell

HINDRANCES TO DISCOVERING YOUR LIFE PURPOSE

- **Distractions**

A distraction is a thing that takes away your attention from something else. It turns you away from the main thing. Your purpose requires your full concentration; distractions only slow you down and make you lose focus. They are not bad things; they are not a priority for you.

- **Chronic busyness**

Being busy can be purposeful and productive. However, when you are permanently busy, it is a possible sign that your busyness conceals a lack of clarity, a fear of inadequacy, feelings of unworthiness, and a lack of faith in your soul's ability to help you live your purpose.

- **Wrong alliances**

Alliances are crucial to fulfilling your Godly-ordained purpose. The right ones provide a sound support system and place a high value on purpose and vision. A good partnership will comprise people who know what God has called you to do and keep you accountable when you seem to veer off the right path.

- **Lack of passion**

Passion fuels your God-given purpose. Some aspects of your purpose may not be pleasant, but your passion will keep you going. When you follow Christ and fulfill His purpose for your life, you will experience persecution, rejection, abandonment, betrayal, and the list is endless.

- **Heartbreak**

Your purpose will not sweep away the disappointment, anger, bitterness, and resentment caused by past hurts. Betrayal, rejection, and abandonment can lead to deep emotional wounds that can leave you with a broken heart. Therefore it is an illusion to believe that knowing your purpose will make you happy, joyful, and excited.

- **Fear of failure**

The prospect of failure can turn you into a deer in the headlights. However, in your attempt to avoid the possibility of failing, you may be missing out on opportunities that will allow you to be successful.

- **Playing the victim**

You may not consciously think of yourself as a victim. However, if you often think, "He made me do this" or "I had no choice but to…" you may be giving up more of your power than you should.
While there will always be situations in life where you have little or no control, you shouldn't consistently find yourself feeling ganged up on, taken advantage of, or unable to change your circumstances.

To stop playing the victim card, you first have to realize that you are focusing on others' behavior rather than your own and what you can't do rather than what you still have the power to achieve.

- **Perfectionism**

Do you often think, "I can't do this because the time is not right", or "I can't start because everything has to be perfect and aligned"? These and other related thoughts are excuses and hindrances for you to succeed in living a full life.
There will never be a right time when everything is in place. Start with what you have; build it a day at a time, and it will all come together in the fullness of time.

Ingratitude

Many people have deep desires within themselves and genuinely want to achieve certain things in life. But they are greedy and unappreciative even before they receive them and want much more than they deserve.

Excuses

You may often hear yourself say some of the following:

- I'm not ready
- It's not the right time
- I'm not good enough
- I'm too old/young
- I don't have enough money/time/experience
- Most people don't succeed anyway, and neither will I
- Maybe I'm not meant to do it
- It's too hard
- It will take too long
- I may do it wrong
- People will laugh at me

When that happens, stop and reflect on why you're saying this. Your mind is tricky and prefers to stay in its comfort zone, doing the same old activities and tasks on autopilot and not trying anything new. That's why it's making up all these excuses that can often sound quite convincing.

- **Expectations**

Stop expecting so much. It's a destructive behavior that brings deep disappointment in your life. You expect things to turn out in a certain way. You expect people to behave as you imagine they should. Whenever that doesn't work out, you feel upset and lose motivation to take action.

- **Lack of consistency**

This is s a big one. Because whatever you do, if you don't do it each day, you won't see any progress. Consistency is a trait of successful people, and it becomes a habit, like everything else. But without it, you won't get far. So break your steps into smaller ones, make time each day, and find the will to get up and do this one thing.

What is product value?

The term product value has more than one meaning.

To the producer

It refers to income from the sale of a product and includes all the costs of production, as well as the desired profit from selling it.

To the consumer

Product value refers to the benefits a buyer gets from the use of a product, as well as their satisfaction with it.

Take the below assessment to get a glimpse of your purpose.

Take your time away from everything and everyone and search yourself deeply and honestly.

1. Who exactly are you?
2. What do you love to do?
3. What do you do in your free time?
4. What do you notice?
5. What do you love to learn about?
6. What sparks your creativity?
7. What do people compliment you on?
8. What makes you cry?
9. What would you do if you knew you couldn't fail?
10. How are you going to save the world?
11. If you knew you would die one year from today, what would you do differently, and how would you want to be remembered?

If life is a journey, your purpose is a compass that helps you stay the course. And if you veer off the path, don't be discouraged. Instead, re-plot your course and refocus on what matters most to you. The world is ready and waiting for you to step into your purpose.

Think big! play big!

Jill Lublin

My action plan notes

CHAPTER 5

MY BUSINESS IDEA SWOT ANALYSIS

One of the most effective methods you can use to decide on the most suitable business idea for you is a SWOT analysis. A SWOT analysis helps entrepreneurs gather meaningful information to maximize their potential. It allows you to focus on possible problem areas and potential advantages of your business idea.

SWOT stands for **S**-Strengths, **W**-Weaknesses, **O**-Opportunities, and **T**-Threats.

Strengths	Internal to the business	Things, situations, and circumstances that would be the foundation of your success and efforts
Weaknesses	Internal to the business	Areas of concern that will make it more challenging to do business. These need your attention as they are also risks
Opportunities	External to the business	Things, situations, and circumstances that would contribute to your success and growth
Threats	External to the business	Circumstances and things that can jeopardize the business. Likely, you may not have control over these

SWOT analysis is a tool that will help you answer the following and many other questions:

- Is my business idea viable for me?
- Do my personality and strengths match the business?
- Is there a market for what I want to sell?
- What price point will the market tolerate for my product or service?
- How much capital do I need to launch and grow this business?
- Is it worth investing in my business idea in the first place?
- Who are my competitors?
- What do I capitalize on to succeed
- What can jeopardize this business idea and the subsequent business?

A SWOT analysis provides a quick and easy way to assess your business idea. It organizes your top strengths, weaknesses, opportunities, and threats into an organized list, and it's usually presented in a simple two-by-two grid as follows:

The true entrepreneur is a doer not a dreamer.

N. Bushnell

S- Strengths	**W- Weaknesses**
Internal Business environment	Internal Business environment
Internal Strength 1	Internal weakness 1
Internal Strength 2	Internal weakness 2
Internal Strength 3	Internal weakness 3
O- Opportunities	**T- Threats**
External business environment	External business environment
External opportunity 1	External threat 1
External opportunity 2	External threat 2
External opportunity 3	External threat 3

Internal business environment

The success of any business is primarily determined by its internal and external business environment. The internal business environment refers to factors that can be managed and controlled by the company. The external business environment encompasses customers, regulations, competition, and government. The externals are not unique to your business. Instead, they affect the entire industry.

Strengths and weaknesses

To analyze the strengths and weaknesses of a business, an entrepreneur should look inside the proposed business. What will the company be good at, and what are the identified deficiencies?

Strengths

These are specific positive aspects that will give the proposed business advantage over similar business ventures and competitors. They represent the strongest parts of your business model, your most effective selling points, and your core competencies. Examples:

- A wide knowledge base
- Nearness to your customers
- Access to technology
- A wide customer base
- A powerful marketing message

Weaknesses

These are specific aspects that will make it more challenging to do business. They are the weak parts of your business model. It's what you are lacking and missing from your investment.

Examples:

- Lack of resources to grow
- Need for high-priced expert employees
- Newness in the industry
- Lack of experience
- Limited access to technology

External business environment

This refers to factors outside the business's control and affects its operations and success. They are the aspects that will benefit the business or negatively affect it.

Opportunities

These are ongoing potential developments around you that will benefit your business. Examples include

- Increased demand
- New target markets
- Potential leads
- Investors
- Events

Threats

These are probable events that could affect your business negatively. Examples include

- Government regulations
- Reasons for investors to cut funding
- Negative market developments

- A simple business idea that can easily be copied and thus reduce your market share.

Business Risk

When turning your idea into an opportunity, it is important to consider business risk. Business risk refers to the possible unexpected and unwanted things that might happen to a business. Entrepreneurs need to make calculations in order to understand the impacts of the risks facing them and thus plan for them. These links include but are not limited to:

- Unexpected competition
- Changes in what consumer want to buy
- Economic down turns
- Drop in product demand
- Technological advances
- Unexpected changes in laws and regulations
- Erratic weather conditions e.g. floods, drought disease outbreaks, etc.

As an entrepreneur, you can use the information you gather to help achieve your goals. To determine if something is an internal or external factor, ask yourself if it would exist even if your business did not. If it would, it's an external factor (e.g., new technology). The following are some steps you could follow to enrich your SWOT analysis:

1. Research your business, industry, and market.

Before you begin the SWOT analysis, you need to do some research to understand your proposed business, industry, and market. You could do this by talking with an expert or a successful business owner in the same industry. Market research would also be essential to understanding your competitors.

2. List your proposed business's strengths.

Identify and list what you think are the strengths of your proposed business. At this stage of the SWOT analysis, the list does not need to be so definitive. However, you must be careful not to cite elements that do not exist (wishful thinking). Any ideas and thoughts are encouraged. Examples could include strengths relating to employees, financial resources, your business location, cost advantages, and competitiveness.

3. List your proposed business's weaknesses.

List things in your proposed business that you consider to be weaknesses (i.e., that can put your business at a disadvantage to others). For example, liabilities could include an absence of new products or clients, staff absenteeism, a lack of intellectual property, declining market share, and distance to market or suppliers.

4. List potential opportunities for your proposed business.

Think about the possible external opportunities for your proposed business. These are not the same as your internal strengths and are not necessarily definite. Opportunities could include new technology, training programs, partnerships, a diverse marketplace, and a change of government.

Keep this in mind. An opportunity for one aspect of your business could be a threat to another part of your business. For example, technology advancement with customer relations software is an opportunity to better customer service. However, it increases the risk of data loss, penalties for lack of compliance with the data protection act, etc.

In such a case, the opportunity or threat must be analyzed from the whole business perspective. Since a SWOT analysis is meant for your overall business and not portions of it, this identified opportunity cannot be listed as both.

5. List potential threats to your proposed business.

List external factors that could jeopardize, cause problems for, or negatively affect your proposed business. Examples of threats could include the presence of substitute products, increasing competition, higher loan interest rates, and the uncertainty of the markets both locally and globally.

6. Establish your priorities from the SWOT.

After completing the steps above, you will have four separate lists. Ideally, these lists can be displayed side-by-side so you can have an overall picture of your proposed business and the issues you need to address. You can then establish the appropriateness of the business idea, the issues that are the most important, and what can be improved.

7. Develop a strategy to address issues in the SWOT

Review your four prioritized lists by asking yourself these questions, which will guide or help you think through your SWOT.

- Do strengths open any opportunities?
- How can we convert weaknesses to strengths?
- What do we have to do to take advantage of opportunities?
- How do we best neutralize threats?

Your SWOT Do's & Don'ts

Do's	Don'ts
♦ Think outside the box ♦ Be analytical ♦ Be specific ♦ Record all thoughts and ideas ♦ Be selective in your evaluation ♦ Choose the right people ♦ Be open to change	♦ Try to disguise weaknesses ♦ Overestimate strengths ♦ Ignore Political, Economic, Sociological, Technological, Legal, and Environmental ♦ Lose sight of external influences and trends

I do not want to go viral. I want to set hearts on fire.

J. Ginger

TIP

Some of the factors influence the demand of a product

- Product price
- Price of similar or substitute products
- The general financial situation of the customer
- Population changes e.g. shifts in age distribution
- Changes in consumer incomes
- Cultural and religious factors
- Consumer awareness
- Changes in lifestyles and attitudes
- Available credit for purchases
- Overall education level of the population
- Rate of inflation (Increase in prices)

My action plan notes

Use the skills you have in a new way to create meaningful and brave work.

John Mercedes

CHAPTER 6

PLANNING MY BUSINESS

A business plan is a written summary of the proposed business. The primary purpose of a business plan is to give your business focus and establish your plans for the future. It summarizes the entrepreneur's business aspirations, secures legal authority, and mobilizes resources for launching your business.

In addition, it helps articulate a strategy for starting your business, provides insight into steps to be taken, resources required for achieving your business goals, and a timeline of anticipated results.

Like a map that helps you find the route to an unknown destination, a business plan enables you to determine and define, with clarity, which direction to go to get your business up and running. Your business plan will help you estimate some of the following:

- Your goals
- Your expenses
- Your services & how much you will charge for them
- Your customers, how to attract and keep them

WHY IS A BUSINESS PLAN NECESSARY?

- It shows the entrepreneur if the business can expect to make profits in the future.
- A business plan helps you identify parts of the business that require improvement.
- It makes it possible to access funding for your business since it summarizes critical information for funders/ investors. Such information includes expected sales, costs, anticipated profits, cash flows, etc.
- It helps entrepreneurs to determine the direction they want their business to move

- A business plan serves as a map against which entrepreneurs choose their processes.
- It indicates chances of success and potential critical points.

Use the following guide, also known as the back-of-the-envelope business plan to evaluate your business idea:

My Business Idea	
The Product	♦ What is my product? Is it one or several? ♦ Why will the customers buy my products/ services? ♦ Are the product specifications clear and acceptable? ♦ Is it an innovation or an improvement of another product?
Start-up costs	♦ What are the start-up expenses? ♦ How will I manage them? ♦ Do I have any personal resources? Savings? available credit ♦ What resources will I commit to the business? Contract offers, small business loans, and other financing options.
Is there a market for this product/ service?	♦Who will my customers be? ♦How will I reach them? Direct mail, word of mouth, advertising, the internet ♦What is the geographical description of the business location?

	♦Is there local demand for the product? If not, how can it be created?
Is the business Feasible?	♦ Can the business be launched now? ♦ Is there further experimentation or product development that is needed?
Technical factors	♦ Have I selected the necessary equipment? What are the reasons for my selection? ♦ Do I know where to source the equipment? Who are the suppliers? ♦ Do I have the necessary skills? ♦ If not, where will I get them?
Competitive advantage	♦ Is the business sustainable? ♦ Who are my competitors? How will I counteract them and their influence? ♦ Which of my competitors can I collaborate with for major assignments? ♦ How long will it take before my competitors catch up with me?
Growth possibilities	♦ How will my business grow? ♦ Does it offer economies of scale? ♦ Do my variable costs decrease with volume, or do they remain intact? ♦ What will my fixed costs be?

Is the business scalable?	♦ Can I accommodate increased volume? ♦ With the growth of the business, will I need to find new space, equipment, and additional staff? ♦ Will I need to implement new systems?
How will I measure profitability	♦ How much will it cost to produce my products or services? ♦ How much will I mark it up (Sales price – cost of sales)? ♦ How will the gross margin change as volume increases?
Growth possibilities	♦ How will my business grow? ♦ Does it offer economies of scale? ♦ Do my variable costs decrease with volume, or do they remain intact? ♦ What will my fixed costs be?
Infrastructure	♦ Do I have the necessary space? ♦ Is there working/ selling space adequate for the business operation to function? ♦ Do I have the necessary ownership documents Do I need, e.g., water or electricity supply to operate your business? Are these available, and are they close by? ♦ Do I need to register your business? What are the legal requirements?

Financial analysis	♦ Will the business generate enough cash flows to meet the immediate liabilities, e.g., rent and loans? ♦ Are my cash flow projections realistic? ♦ Has my cost of production been included in your financial projections?

♦ **Market Analysis**

A market is an area of potential exchange with potential buyers (customers) and sellers of products and services

Prices in a market are affected by the forces of demand (of Products) and supply (Sellers).

♦ **Market research**

Market research is conducted to collect information that enables you to make the right decisions on marketing your products/ services. It's essential to identify the viability of a business idea. Market research may be secondary (desk research), or primary research collected directly from the respondent. It primarily focuses on determining the following:

- ♦ People's buying habits
- ♦ Competition
- ♦ Target market
- ♦ Environment
- ♦ Potential customers, etc.

CONDUCTING MARKET RESEARCH

Potential Customers

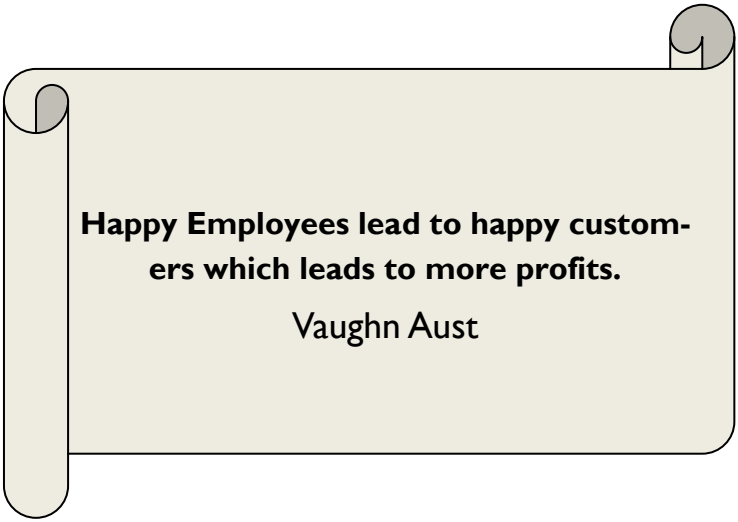
- Talk to potential customers to find out the following:
- What products and services do they want to buy?
- What they are buying currently
- Where they buy
- Why they buy from certain outlets
- How much they buy
- The price they pay
- The extras and after-sale services they get
- What they know about your competitors

Study your competitor's businesses

- Study your competitor's business and find out the following:
- Their products and services, e.g., quality and design
- The prices they charge
- Exactly what they sell
- How their products differ from yours
- Where they get their inputs
- What value additions they do
- Where they sell
- How they promote their products & services
- How you can compete

Ask suppliers and business friends

- Which goods/ services sell in their businesses
- What they think about your business idea
- What they think about your competitors' products



Contents of a business plan

1.	General business description	♦ Name of business, location, and address ♦ Nature of business activity, i.e., The problem the business is solving in the market ♦ Type of business organization (Partnership, Limited Company, sole proprietorship) ♦ Summary of why the business will be
2.	Personal background	♦ Name of the business owner ♦ Educational/Professional background ♦ Relevant experience in business-related activities
3.	Market plan	♦ Business market area and targeted customers/customer groups ♦ Primary and secondary markets ♦ The expected annual growth rate of the market ♦ Market size and trends ♦ Your competitive advantage ♦ How do you compare with the existing products in terms of quality, price, appearance, performance, etc.?

		♦ Projected market demand for your product/service. ♦ Suppliers and supply terms and conditions ♦ Unit price and list of all items/services being offered ♦ How will you be selling your product ♦ Market survey report.
4.	Business management plan	♦ Human resources plans ♦ Who will be the managers in this business ♦ Sales and the divisions of labor ♦ How will the business work be organized, e.g., working shifts, working times, working conditions
5.	Financial plan	♦ Investments required ♦ Fixed assets/starting equipment, e.g., land, tools, machinery ♦ Preliminary expenses ♦ Pre-operating expenses, e.g., legal fees, licensing fees, bank charges, etc. ♦ Start-up expenses, e.g., water and electricity connections, cleaning services, etc. ♦ Working capital required, e.g., raw materials, rent, water, transport, etc.

6.	Funding your business	♦ Owner contributions/Investments ♦ Family/ friends' contributions ♦ Already secured loans/credits ♦ Total funds available ♦ Deficit/funding gaps ♦ Loans/ support required
7.	Operating plan	♦ Projected operating income, i.e., income from sales, net profit ♦ Marketing and sales objectives ♦ Pricing ♦ Advertising ♦ Break-even analysis ♦ Quality controls ♦ Projected cash flows ♦ Research and development ♦ Partnerships
8.	Major assumptions	♦ Give all the major assumptions made in developing your plan, e.g., assumptions that particular resources will be available ♦ Cash flow projections ♦ Starting capital project
9	Business plan	♦ Summary of all the major aspects of the business on one page

BENEFITS OF BUSINESS PLANNING

1. It assists entrepreneurs in seeing the whole business.

When it is done right, it connects the dots in your proposed business, so you get a better picture of small parts that consolidate into the whole business, e.g.,

♦Do your sales connect to your sales and marketing expenses?

♦Are your products suitable for your target market?

♦Are you considering costs, including long-term fixed costs, product development, and working capital needs?

2. A business plan gives you strategic focus

Start-ups and small businesses need to focus on their unique identities, their target markets, and their products or services tailored to match.

3. It helps you set priorities.

You can't do everything. Business planning helps you keep track of the right things and the most important things. Allocate your time, effort, and resources strategically.

4. Helps you manage change

With a good planning process, you regularly review assumptions, track progress, and catch new developments so you can adjust. Plan vs. actual analysis is a dashboard of your progress on identified areas; changing the plan is steering the business based on existing realities.

5. Develop accountability

A good planning process sets expectations and tracks results. It's a tool for regular review of what's expected and what happened.

6. Assists you in managing cash

Good business planning connects the dots in cash flow. Sometimes just watching profits is enough. But when sales on account, physical products, purchasing assets, or repaying debts are involved, cash flow takes planning and management.

Profitable businesses suffer when slow-paying clients or too much inventory constipate cash flow. A plan helps you see the problem and adjust to it.

A business plan is essential in helping entrepreneurs access external funding from potential investors and partners. Therefore, it needs to be as accurate as possible with measures for proper funds management.

7. Strategic alignment

Does your day-to-day work fit with your primary business tactics? Do those tactics match your strategy? If so, you have strategic alignment. If not, the business planning will bring up the hidden mismatches. For example, you're out of alignment if you run a gourmet restaurant with a drive-through window.

8. Milestones

Good business planning sets milestones that mark your progress. These are vital goals you want to achieve, like reaching a defined sales level, hiring that sales manager, or opening a new location. Entrepreneurs are human and work better when there are visible goals.

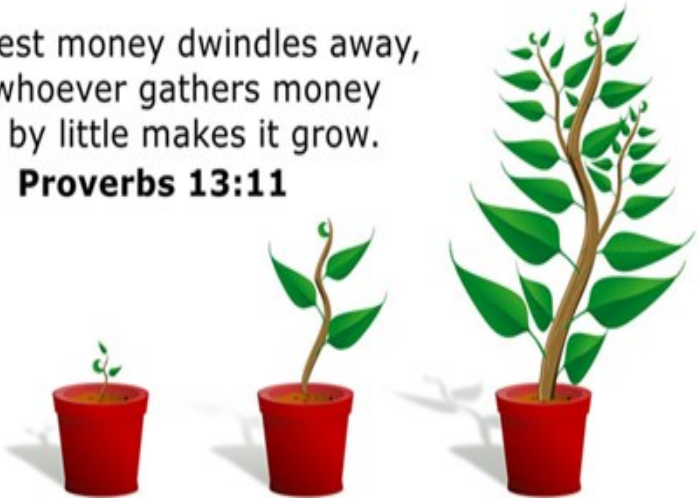
Activity

- Look for a business that closely resembles or is in the same industry that best matches your proposed business.
- Find out if the owner/ manager/ employee has some time to answer your questions.
- Gather as much information as you can. Remember to be respectful of the respondents' time. Also, remember that there are some questions that the person may not feel comfortable answering.

Categories of information to be collected for the market survey:

1. Who are the customers?
2. How is the workplace set up, and approximately how much did it cost?
3. What is the cost of owning or leasing the premises?
4. Availability of supply and raw materials
5. What are the qualifications and specializations of staff required to work in the business, and are they available?
6. What is the cost of working tools/ equipment?
7. Who are the main competitors in this industry?
8. What advertising channels do they use to reach out and spread the word about their products?
9. What are the primary business challenges?

Dishonest money dwindles away,
but whoever gathers money
little by little makes it grow.
Proverbs 13:11



My action plan notes

CHAPTER 7

FINANCING MY BUSINESS IDEA

As an entrepreneur, you need a well-researched estimate of what it will cost to turn your business idea into an opportunity and launch it. Then match it to the reality of your available resources and/ or your ability to get conventional financing. This may lead to refining your idea to make your start-up possible based on your financial situation.

One of the most common reasons businesses fail is "hitting a financial wall" either before opening or shortly thereafter. This results from one or more contributing factors such as:

- An insufficient estimate of the true cost of starting what you have in mind; finding out you need to spend more than you have to get it open or keep it going.
- An unrealistic expectation about resources you might tap into
- Lack of grants and start-up loans that are difficult to obtain.
- A misconception about how quickly you will start making money. You might need to supplement sources of cash to keep a business afloat until it does start making money.

With almost 90% of start-up entrepreneurs needing external funding to survive, funding a business idea is a painful topic for most entrepreneurs, especially in the launching and early growth stages. Unfortunately, the revenue phase is hard to achieve, and when it is achieved, the high growth across multiple markets needs a capital base large enough for the company to survive and handle the growing demand for its products and services.

Every funding decision is a complex tradeoff between near-term and longer-term costs, paybacks, and overall ownership and control. With the many options available, there is no excuse for not living your dream of being an entrepreneur.

BUSINESS START-UP COST ANALYSIS

Determining that you would not be able to pull together or be loan-eligible for a specific level of funding resources does not mean you won't be able to start the business. It requires you to rethink your take-off strategy. The good news is that *where there is a will, there is a way*! Every large commercial organization started as a small business, with many of them building and growing one success or customer at a time.

Consider the following summary of categories of typical start-up costs and use it to make your unique start-up budget. Depending on your business idea and business model, some of these cost categories may or may not apply.

Cost Category	Amount (Kshs.)
Land and Buildings	
Cost of Land	
Cost of building	
Land lease	
Electricity and Water deposits	
Remodeling and renovation of premises	
Equipment's	
Furniture and Fixtures	
Production machinery/equipment	
Computers/ Software	
Telecommunication equipment	
Cash registers/POS systems	
Vehicles	
Signs	
Shipping and installation	
Others	
Marketing	
Image and Branding	
Marketing and design consultants/ planning	
Advertising	
Promotional items/ activities	
Others	

Operations Fees and Expenses Professional fees (accountant, lawyer, etc.) Patent/trademark fees Insurance (Health, Life, Fire, Liability, other) Licenses and permits Trade association memberships	
Personal Living Expenses From the last paycheck to opening day 3-6 months after opening day Moving expenses	
Cash Reserve/ Contingency/ Working Capital Opening expenses Wages/salaries Other	
Total	

Chase your vision not the money. The money will end up following you.

T. Hsieh

Financial analysis

- **Budget**

Every business needs to have a budget. A budget is a calculated estimation of the value and price of the project. It's always composed of the expenses (Costs of the project) and incomes representing resources brought into the project to cover the costs. Without a budget, it's impossible to know if the proposed business is feasible. If you do not know how much it costs, you will not know what you need.

- **Income**

It includes all sources of funds necessary for the project, e.g., Rental incomes for materials donated by sponsors. The total amounts requested must be made clear. Therefore, it is important to consider or take into account total receipts.

- **Expenditures**
    - List all expenses connected with the project
    - List the costs of all inputs
    - Make your estimates realistic
    - Make all expenditures correspond to the anticipated program of activities
    - Calculate your total expenditure

MAIN SOURCES OF EARLY START-UP CAPITAL

The primary sources of capital for early-stage start-ups include but are not limited to the following:

- **Funding the start-up by yourself and co-founders (Bootstrapping)**

It is important to note that the costs to start a business are at an all -time low, and over 90% of start-ups are self-funded. It may take a bit longer to save money before you start and grow organically, but the advantage is that you do not have to give up any equity (ownership) or control. Your business remains yours alone.

- **Friends, fools, and family (F.F.F)**

As a general rule, professional investors will expect that you already have some commitments from this source to show your credibility. If your friends and family do not believe in you, do not expect outsiders to jump in. This is a primary source of non-personal funds for very early-stage start-ups.

- **Moonlighting**

Many home-based businesses begin while the founder is still working a regular job. The income from the job can help support the owner during negative or low cash flow of the business setup phase and provide working capital to augment the business's cash flow. Usually, when the business begins paying as well or better than the regular job, the entrepreneur can resign from their job and devote full time to building their new business.

- **Grants, public small-business support**

These are public funds allocated to support new technologies and entrepreneurship in certain regions. It is always a good place to start and find out what kind of financial and non-financial support is

available in your country for start-up entrepreneurs. Applying for the grant (and bureaucracy) can be a long and arduous process, but it does not cost you any equity.

- **Crowdfunding**

Crowdfunding is a method to raise capital by raising money from a large number of people who each contribute a relatively small amount, sometimes online. You can crowd-fund by running a pre-sales campaign (selling the concept of your service or product based on the prototype) for your products or services or selling the start-up's equity (people can buy a fixed amount of equity with a fixed price) in the crowdfunding platform.

- **Angel investment business**

Angels are high-net-worth individuals interested in supporting start-ups and willing to invest money in qualified start-ups. Business angels invest personal money and seek the return of the investment in an agreed time of 3-5 years or more.

Be sure to check out their resumes and two or three references, especially the names of other entrepreneurs the angel has previously financed. Your "angel" could be your lawyer, doctor, accountant, or an interested individual in your community or industry. They are often executives who have been successful in the industry and now look to fund other companies in that area.

Generally, it is best to offer an angel investor straight equity, part ownership in your business, in the form of common stock. Keep it simple and ultimately spelled out. Remember, angel investors should fit into your business model with their know-how and contacts.

- **Strategic alliances**

With businesses becoming more complex and global every day, with increased emphasis on specialized knowledge and fast new product development, partnerships are increasingly emerging among companies and entrepreneurs.

The movie industry has modeled the concept of strategic alliances for decades. Diverse talent is sought and brought together for a common, defined project. After the movie is completed, many contributing elements to the production are quickly disbanded. For this type of shared resource alliance to work consistently, the participating companies must build a high level of trust in each other. Unfortunately, strategic alliances and partnerships are often difficult to coordinate and even harder to control.

Should you or any of your strategic partners miss a significant milestone, you may lose your market lead, company, or significant parts of it. The relationships between the allied companies need a strong foundation, and the goals and values of the companies need to be compatible. Financial strategic partners with a synergistic interest in investing in your business may seek your business out as often as you seek them. Strategic alliances need to be spelled out clearly in written agreements.

- **Venture capital investors (VC-s)**

These are professional investors, who invest institutional money in qualified start-ups, usually with a proven business model, ready to scale in many markets. VC-s typically look for scalable opportunities, needing a couple of million euros or more, with a proven team. VC-s are ready to stick with the company for longer periods and expect returns in maybe 10-15 years.

- **Corporate partners**

Most Fortune 500 companies are now involved with these arrangements as a part of their corporate strategy. In this model, the larger corporation becomes a minority owner of the smaller company.

As a small business, you receive the advantage of access to capital. However, as you grow, you may also receive access to some of the larger company's resources, such as distribution capabilities and product development opportunities that could act as formidable barriers to entry for potential competitors of yours.

Your partner company gets into attractive markets and will share in your profits. The place to start looking for such potential corporate partners is with your larger suppliers or customers. Industry journals can also point you toward an interested corporate partner.

- **Private foundations**

With determination and the ability to prove that a "charitable" investment in your enterprise will have a positive social impact, benefiting more than just you, finding funding from a private, non-profit foundation is possible.

While some foundations fund entrepreneurs directly, most foundations give money and support services to non-profit organizations, which seek to accomplish the foundation's mission by coordinating and supervising the distribution of these resources in exchange for the specialized work needed.

You can check your local library for reference books on funding research resources. Once you have identified appropriate foundations or non-profit organizations, request their application guidelines and annual reports. Then be prepared to spend time and effort filling out paperwork, writing a proposal and business plan, and pitching the right people.

- **Start-up incubators and accelerators**

Some business incubators and almost all business accelerators have some funding for their services. Business accelerators take a fixed amount of the equity from your company for a fixed amount of money (these terms are often tough to change and often non-negotiable). Still, the funding granted by the accelerators helps the start-up teams to survive for some time and focus 100% of the time on the team to develop the company.

- **Franchising**

Franchising involves a franchisor, who owns, produces, or distributes a particular product or service, grants exclusive local distribution rights to a franchisee, agrees to certain business standards, and provides a payment or royalties to the franchisor.

Franchising involves using another person's or business capital to mutually expand your own business. In addition to funding benefits, both parties can grow because of standardized marketing, name controls, and facilities. Each can benefit from the inherent economies of scale. As a franchisee, you can view this situation as lessening the overall risk of getting into the business.

The franchisor often helps the franchisee obtain and guarantee a loan or lease. Since the franchisor has supposedly put together a proven package of product or service and a method of doing business, and the franchisee brings additional capital and the business motivation, the lending institution will generally have more comfort in lending needed funding. In addition, the franchisor typically receives an up-front down payment or fees, plus a piece of future sales and/ or profits.

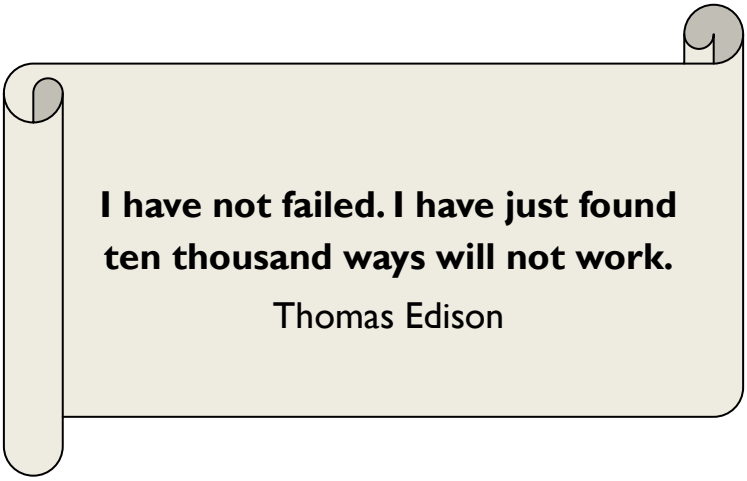
- **Equity investment**

Equity investment is money invested that, unlike a loan, is not repaid to the investors in the normal course of business and represents an ownership stake in the business. Equity investment is best suited for high-risk/ high-return opportunities for companies developing and marketing products or processes such as "game-changing" technologies or other high-demand items far superior to existing competition.

- **Bank loan or credit**

In general, having a bank loan is not an option for early-stage start-up companies as they tend to have no credit history or existing assets that can be used for collateral.

A loan is borrowed money that an entrepreneur can use temporarily. After an agreed period, the money is repaid to the lender, usually with interest or a fee charged to use the money.



Your own money versus borrowed money

- You are freer when you use your own money
- Loans cost money - interest charges, negotiation fees, insurance, etc.
- Loans come with obligations from the borrower
- By borrowing, you get a more significant lump sum than you might have by using your capital
- Borrowing allows you to get money more quickly than if you rely on your ability to save little by little.
- If you take a secured loan, there is a chance of losing the item/ property to which you attached the loan if you fail to repay
- Loans are costly, and entrepreneurs should be careful when borrowing. Loan costs may be direct or indirect. Direct costs are monies paid to the lender for the loan. These include interests, fees, insurance, late penalties, etc. These costs are included in your regular or monthly repayments.
- Indirect costs are costs you may have to pay because you are servicing a loan., e.g., workers' salaries, transport, and costs of attending loan meetings.
- Method of interest calculation. Is it a flat rate or a reducing balance method?
- Be sure that the business you are financing will outlive the borrowed loan. As a result, you will continue making profits beyond the loan repayment.
- Be sure you have repayment capacity based on your income and expenses.
- The need or purpose of borrowing the loan

- Amount of the installment and the frequency of loan repayment.
- The total amount of your loan repayment, including the principal, interest, and other fees
- Your income sources and savings are banking on to make your loan repayment.
- When will the loan amount be availed, i.e., is it before you are ready for it, or is it long after the opportunity has passed?
- Your business will generate enough returns to cover the total costs of loans and make profits.

Clarifications to seek from loan lenders before taking the loan

- What is the rate of interest of the loan
- How often must the loan principal and interest be paid?
- What is the amount of each loan installment?
- What savings are required, and how often must deposits be made?
- What fees must be paid to obtain the loan?
- What are the penalties for late repayment of the loan or the installments?
- Where will loan repayments be made?
- How often do loan-related meetings take place, and how long do the sessions last?
- What are the collateral requirements?

I Create

I take risks

I live my Passion

I am an Entrepreneur

The 3C's of Financial Institutions

Cost

- Charges for their products e.g. checkbooks, debit cards and accounts maintenance
- Cost of borrowing- some financial institutions charge higher interest on loan than others

Convenience

- Distance from your business
- Hours of business for the financial institution, branch networks, value added services e.g. internet banking

Clients

- How do they treat clients like you?
- Do they answer questions you may have about their services

LOAN DELINQUENCY/ DEFAULT

Delinquent or default of a loan means the borrower is late in making their loan repayments. This can be avoided by observing and considering the following:

- Borrowing only the amounts of money you can afford
- If you anticipate repaying your loan installment late, be honest with the lender about your issues.
- Seek advice on how to repay your loan from the lender, friends, and family.
- Cut out some personal expenditures to make your loan repayments possible.

Entrepreneur's rights before borrowing from a financial institution

- A right to be given enough information about various loan products for you to make an informed decision.
- A right to be given all relevant information, including all the charges relating to your loan
- The financial institution owes you a right to keep all your information private and confidential.
- Right to access your savings at any time you need them if you have a savings account with a bank.
- A right to get guidance in all processes and procedures regarding transactions with the bank.

Entrepreneur's responsibilities

You should accurately provide all required information for the financial institution to provide the best service for you.

Respect the loan contract and make timely payments per your loan schedule.

Beware of aggressive lenders

- Beware of anyone who comes to your door offering easy money loans.
- Beware of special offers which may be good for a limited time
- Beware of lenders who discourage you from the loan agreement because it's just standard.
- Never sign a loan agreement that you do not fully understand. Ask questions until you receive satisfying answers.

I do not want to go viral. I want to set hearts on fire.

J. Ginger

My action plan notes

Parting shot

Dear budding and growing entrepreneur

First, I thank you for going through your unique business idea with this workbook.

Of the many entrepreneurship books in the market, you chose this one to guide and inspire you in this journey.

Entrepreneurship is a character-oriented venture from the day you open your mind, heart, and hands to all it has and can bring.

No matter which path led you to entrepreneurship, this workbook has been curated with you in mind because I want you to succeed and replicate that excellence with other business ideas. It is a fact that an entrepreneur is not a solo-business owner. Instead, entrepreneurs own, manage and gain from multiple businesses and opportunities.

As you enter the market, you must flame that restless desire and energy to venture into business, satisfy your customers, and stay ahead of the competition. Furthermore, it would help if you combined it with the willingness to experiment and take risks. That is the entrepreneur's daily life.

With every new day, you have the opportunity to make an impact, self-develop, inspire others, and develop your thinking along new, creative lines generating brilliant business ideas for the future.

I am convinced that you can do it.

Best Wishes

Elizabeth Waithaka