

## DECLARATION

We have read the university regulation relating to plagiarism and clarify that this report is our own work and do not contain any acknowledged work from any other source. We also declare that we been under supervision for this report herein submitted.

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## **DEDICATION**

This project work is dedicated to the glory of God the creator of heaven and earth for granting us the strength and grace to go through this project successfully. We also dedicate this work to our dearest families and sibling who through their help made our ambition to becoming degree holders a reality.

## **ABSTRACT**

Small –scale enterprises are very important to the development of a nation. It is the engine of growth in every country. However, the success of a small – scale enterprise owes a lot to good business plan .This piece of work contains information about how business plan can lead to the success of small –scale enterprises, it also provides a frame work of the format of a business plan and how it can be implemented effectively.

Hence adequate preparation should be put in place to ensure the effectiveness of using a business plan in small scale enterprises. Business plan is an important document which show what the entrepreneur intends to do. It also serves as a good machinery for the success of a small scale enterprise which promotes the level of middle income earners in the country, also contains practical recommendations that when put to good use can help owners of small – scale enterprise or government to prudent policies that will benefit small –scale enterprises.

The study showed that there are certain factors that small scale business owners should put in their business plan and adhered to be successful, such as having the financial plan, organisational plan, marketing plan, production plan and risk management are to be clearly and carefully drafted in such a way that it will not be considered a flawed idea.

But it was revealed that beside all these factors small scale enterprises do not put their plans into practical use due to problems associated with its use. The research found that Technological advancement that lead to changes in taste and preference is a major challenge.

We recommend that consultants should use our findings to address issues related to the practical use of business plan to their clients.

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 BACKGROUND TO THE STUDY**

Approximately the last 200 years, to date have seen a major resurgence of small scale enterprise through Ghana. Nearly 80% of Ghanaians found in the formal sector of the economy run their own small – scale enterprise, and each year the number continue to increase according to the National Board for Small – scale Industry (NBSSI, 2009)

Small – scale enterprise is easier to describe than to define. At first, the business appears easy to define. Many places of business that you patronise such as independent neighbourhood grocery stores, fast – food restaurants, video shops, hair stylist, dry cleaners are example of small – scale enterprises, they must at least have two of the following features:

Management must be solely independent, since the manager usually owns the business, Capital is supplied and ownership is held by him or a few individuals who manage the business. The area of operation is primarily located, although the market is necessary local, the business is small in comparison with larger competitors in its industry. Therefore small – scale enterprise can be seen as any business that is independently owned and operated by the owner(s), is dominant in its field and does not engage in many new or innovative practices.

Some small – scale enterprise like carpentry, dress – making and hair styling provide financial opportunities and chance to develop wealth. Small – scale enterprise is a place where creative motivated individuals can use their talent in enterprise to the market of the Ghanaian economy.

To launch a small – scale enterprise like fast – food restaurants or expand an existing one successfully is not a simple task. Good ideas, hard work, enthusiasm, skills and knowledge about

your product and how to start it, are essentially not enough. Business plan is very essential. Most small – scale enterprises do not have business plans. Evidence of this is the substantial volume of failures of some small – scale enterprises after few months or year of operation. Most entrepreneurs like dressmaker (designers), and dressers think that since they do not require outside funds or banking support there is no need for them to have business plans. However, preparing comprehensive plan is essential in launching any venture or expanding an existing small enterprise. Business plan direct the affairs of a business.

## **1.2 PROBLEM STATEMENT**

Most successful businesses we see today are due to effective planning. Business plans enable entrepreneurs to know how viable their venture will be and how much money is required to start the venture. It also helps the planning process. It is an undisputable fact that many small scale businesses that are successful and unsuccessful are due to many factors and one of the factors that contribute to the success is the practical use of business plan, we are therefore interested in assessing or evaluating whether or not small scale businesses that have business plan do actually use it or go according to the plan. It is exactly in this light that this research work has become necessary.

## **1.3 OBJECTIVES OF THE STUDY**

- i. To assess whether small scale businesses understand business plan
- ii. To analyse what small scale business do and what is in the business plan
- iii. To examine the problem encountered in using business plan
- iv. To make some recommendation to the problems identified

#### **1.4 THE RESEARCH QUESTIONS**

- i. Do small scale businesses really understand business plan?
- ii. What are the problems that are encountered with using a business plan?
- iii. Do small scale businesses that use business plan actually operate according to the plan?
- iv. What are some of the recommendations to the problems identified?

#### **1.5 SCOPE OF THE STUDY**

This study would be conducted in Amakom and Bantama Township in the Ashanti Region of Ghana (Kumasi). We the researchers have chosen these two locations because there are lot of small scale businesses concentrated in these areas and hence the level of competition calls for measures in other to withstand the competition. The group will conduct a survey to come out with the number of small scale businesses that practice the use of business plan.

It will focus on small – scale enterprises such as petty traders, hair stylist, basic schools, tailoring shops and bookbinders. The major limitation is due to time constraints since we are to conduct a survey, interviews and to distribute questionnaire to foster a good research work. Lack of funding to enable the writers covers a wider area and full representative sampling is another factor which is why there was the need to concentrate on these two areas. Distance to information centres is another problem. This study is purely an academic exercise and as such it is fully financed by the researchers ourselves.

Another limitation that the researchers are likely to encounter is that, most people refuse to give accurate information on their business transaction for the fear of giving vital information, which might get into the hands of their competitors, this also will affect the data collection.

Another limitation of the study is the inability on the part of owners and managers to give the right information to the researchers. This is mainly due to the fact that some transactions are not undertaken by these owners or managers especially where the business is a trading concern.

## **1.6 ORGANISATION OF THE STUDY**

The Chapter One entails the background of the study, problem statement, research objectives, research questions, scope of the study, limitations and organisation of the report.

Chapter Two (2) seeks to provide a conceptual framework and review previous literature in relation to research topic.

Chapter Three (3) provides the methodology.

Chapter Four (4) Consist of presentation and analysis of data.

Chapter Five (5) which is the last chapter provides the summary, conclusion and recommendation of the study.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

Definition of small –scale enterprise differ from one book to another, one country to another and one government to another within a particular country and even among individuals.

The committee of inquiry on small-scale firms set up by the United – Kingdom government Bolton(1971) reports that ‘‘small firms are present in virtually every industry and the characteristics they share as small firms are sometimes not as apparent because of the differences arising from contrasting conditions of the different industries. For instance, a manufacturing company with about 300 employees may be classified as small – scale enterprise, although in some industries, the firms may have as many as 1300 employees as reported by the committee’’

The most widely used definition is based on employment:

Less than 20 employees: for the artisan and very small enterprise, 20 to 50 employees: small - scale enterprises, 50 to 600 employees: Medium – sized enterprise, over 600 employees: Large enterprise

However, in Ghana the most acceptable operational definition is given by the National Board for Small- scale Industries (NBSSI). According to this institution, a small-scale enterprise is any business that employs up to 39 people.

The institution has adopted this definition to facilitate research and policy implementation. The institution has further divided all small-scale enterprises into two group:

- Micro Enterprise
- Small enterprise

Micro Enterprises in this case are those that employ up to six (6) people or have fixed asset excluding land and building not exceeding \$150.

Small – scale on the other hand is any enterprise employing between seven (7) to Eleven (11) people or having fixed assets not excluding land and building valued between \$2,000 to \$11,000.

Small-scale enterprises are found in every village, town and cities in Ghana. The commonest types of small-scale enterprises found in Ghana include tailoring, weaving, carpentry and carving, retail outlets such as bookshop, hotels and communication service. Cottage industries such as soap making, oil palm processing, cassava processing, and fish preservation.

Small-scale enterprise in Ghana can be classified into five (5) main headings. These include;

- i. Miscellaneous, example includes painters, dry- cleaners, decorators, import and export companies, truck owners, and small-scale farmers.
- ii. Small Manufacturing Industries, examples oil palm processing, and gari processing.
- iii. General Wholesale and Resale, example cosmetics shop.
- iv. General Engineering Services, example fitting shop.
- v. Personal Professional Services, example hair barbering, saloon and consultancy services.

These entire categories above can be found in most regions in Ghana.

## **2.2 THEORETICAL FRAMEWORK OF SMALL SCALE ENTERPRISES**

It is sometimes difficult to distinguish a small-scale business from medium or large-scale enterprises, however, with the aid of the characteristics of small-scale enterprises it has now become easier to differentiate small-scale from medium or large –scale enterprises. Among the characteristics are:

- i. Sales Volume: Since the small – scale enterprises are unable to capture large size of the market due to its small size. By nature they have small sales volume.
- ii. Method of production: The method of production used is labour intensive. This means manpower or human effort is relied on rather than machines and equipment.
- iii. Small Capital Size: Everyone can establish small-scale business because it does not require huge amount working capital in setting up the business. Sometimes in the small-scale enterprises, certain things can be done manually without the problem of finding huge capital to acquire sophisticated machines or equipment.
- iv. Asset Size: In a small – scale enterprise it is sometimes not necessary to acquire certain machine since certain activities may be performed manually.
- v. Number of Employees: The number of employees required is small in size than large scale. According to the NBSSI, it employ up to 39 employees.

Small-scale enterprises play a vital role in development of an economy. The following are some of the role derived:

- i. Introduce Innovation

Since small scale enterprises need to use more cost effective and efficient production method to be able to withstand competitions from large firms, these lead to the introduction of new techniques, which lead to quality production of goods and services. These would lead to exploiting new sources for material and discovery of new markets. These result in producing goods and services to the consumer at a lower cost.

ii. Provide New Jobs

Small scale enterprises provide jobs for people in the economy since the government can not provide employment for everybody in the country, as new small scale enterprises are being launched and existing ones are being expanded. These relieve the government of the burden as the sole employer. It also signals economic growth.

iii. Provision of Aid to Large Firms

Small scale enterprises perform some functions effectively than large scale firms can do. That is they do well in repairs, distribution and supply function which enable the large business to operate continually.

For instance, while large scale firms or enterprises are only specialized in manufacturing goods (example watches, mobile phones and motor vehicles), small scale enterprises provide services for the goods manufactured by these (large scale) firms in the event of breakdown. Since large scale businesses are not specialized in repairs, providing such services will not be efficient as provided by a small scale firm. In addition, small scale enterprises provide raw materials for large scale companies for further processing into finished goods. Example, cocoa farmers provide cocoa beans for further processing into Milo by Nestle Ghana Limited.

Distribution of goods and services are best done by small scale enterprises. This is because, they have direct contact with the customers during distribution, and through this they identify the people who need the commodities, their problems and device methods to solve them.



## **2.3 BUSINESS PLAN**

It is important to draw a business plan to reduce trials and errors factor and to prevent obvious mistakes before starting a new business.

According to Baume Samuel (2002) a business plan is defined as a business document used by an entrepreneur as a communication tool or instrument to communicate with other stakeholder, for example, bank, suppliers key customers, key employees, minister, department and agency, investors and business partners both local and foreign. A business plan must speak for the entrepreneur in all aspect, this means whoever reads the plan must be able to understand what the entrepreneur is saying, asking or want to do. It is often an integration of functional plans such as marketing, finance, manufacturing and human resources. It also addresses both short term and long term decision-making,

Fred L. Fry also defined business plan in his book (Entrepreneurship – A Planning Approach as ‘‘a document developed by the venture team to guide the strategy of the firm and / or to attract investors to the firm’’. A business plan is a document used to detail plans for a start-up or existing business. This document is used to describe business goals and strategies, as well as provide a blueprint of financing and marketing plans. Essentially, it provides detailed information about where a company is going and how it will get there. Many experts consider such a plan critical to the success of a business. It can therefore be said that business plan is a proposed business venture.

## **2.4 TYPES OF BUSINESS PLAN**

There are many types of plans in business. However, for the sake of our study, we will limit ourselves to Fred L. Fry’s classification business plan in his book “Entrepreneurship – A

Planning Approach.” In the book, Fry classifies business plan into strategic plan and financial plan. This is because this classification is particularly linked to the launching of a new venture or expanding of an existing one.

#### **2.4.1 STRATEGIC PLAN**

Shapiro defined strategy as an overall approach and plan, so strategic plan is an overall planning that facilitates the good management of a process; this takes the entrepreneur outside the day – to-day activities of the project

It outlines the actions necessary to achieve long- range goals. It focuses much on the strategic direction of the enterprise. Strategic plan is designed to be internal guide actions necessary to achieve the firm’s goals. It is often protected from outside viewing for competitive reasons. The owner – manager or the top level management and key operative personnel develop it. It focuses heavily on an analysis of the environment in which the firm is to operate. As a result, items such as the economy, trends in the industry, and a thorough competitive analysis are key parts of this type of plan.

Strategic plan must be adequately organised, thoroughly researched, effectively written in order to be useful in the future and understood by all who read it.

The strategic plan together with operating plan and functional plan (which focuses on short to medium range actions having to do with specific aspect of the business such as decision making, finance, operations or human resources) form what is referred to as the working plan.

#### **2.4.2 FINANCIAL PLAN**

Boi Tech Stock (2011), financial plan is a comprehensive evaluation of an investor's current and future financial state by using currently known variable to predict future cash flow, asset values and drawal plan.

In view of Investopedia, it explains that financial plan can alert an investor to change, that must be made to ensure a smooth transition through life's financial phase such as decreasing spending or changing asset allocation.

It is prepared with one over riding goal in mind. That is to obtain some kind of funding for the firm. Funding may be in the form of loan from family members, personal savings, debt capital (debenture) and loan from bank. It may also come from private investors who have either an active or a passive interest in the firm. It may be venture capital that usually takes the form of equity or a combination of equity and debt. Any of these types of funding will require an extensive financial plan.

Financial plan has a different nature and approach than the strategic plan. The primary readers of the financial plan (business plan) are outsiders. That is the bankers, the ventures capitalists and others who may have interest in the venture want to see what the business is all about, what financial projections are and how investors can expect to recoup their investment.

Investors are usually interested in two general aspects of the plan, which is the marketing consideration and investor consideration. They want to know the scope of the opportunities presented. These may include how solid the market is, what rate of growth may be expected, and the amount of time before sales may be sufficient to make a profit. In addition they want to know

when to expect a return on their investment, how much that return is likely to be, what the probability of the continued returns is, and how long the profits are likely to continue.

Financial plans require extensive financial analysis and projections. Because of this, expert's advice (experienced accountants or financial managers) could be consulted when developing financial plan.

Unlike strategic plan which is reviewed and revised periodically, financial plans are developed only when funding is needed, however, it should be kept in mind that the financial projections should be included in both plans. The financial projections are also referred to as an investment plan.

Both types are important and in many instances, the success of one may hinge at least in part on the success of the other. Small business owners or potential entrepreneurs should be aware of the differences between strategic plan and financial plan.

## **2.5 BENEFITS OF A BUSINESS PLAN**

Business plans provide clearly identifiable benefits for the small scale business or the new venture.

- First the planning process forces the entrepreneur to determine some relevant planning horizon. Planning horizon is the distance into the future for.
- Which it is logical to plan. Business that grows slowly may have a very short planning horizon. Example is a manufacturing firm, which may have three to five year planning horizon.

- The planning process encourages the entrepreneur to assess both external and internal opportunities and weaknesses of the small business or the proposed venture. If a plan is to be well developed, the owner must carefully study the economy, competition, the community, the customers and other factors that can affect the business or proposed venture. The planning process must also assess the likely opportunities of the business objectively. Its own strengths and weaknesses must be compared to those of competitors. In the case of a proposed venture, its ability to compete must be compared with the demand for the products or services.
  
- It gives an identifiable direction and focus for the venture. The entrepreneur, with a plan knows how to react to new information or new development outside the firm. A firm without a business plan, every new information is potential crisis, which if not dealt with properly may affect the rest of the business' operations.
  
- It also ensures efficient allocation of resources to achieve set goals. It enables the entrepreneur to search for the requisite materials such as equipment, raw materials, storage facilities and money needed for developing the product or service at the lowest cost. Effective distribution channels are laid down in the business plan to ensure those goods or services provided are patronised.
  
- Business plan also provides communication and motivation channels for employees and information to outsiders. The organisational structure and chart enable the employees to

know who they are responsible to and the authority each one has to undertake a project or work.

- It shows the bank or other prospective lenders how well the business can expect to do in the future, how much money is needed and its use, and how long it is required.
- It provides the bases for comparison with later plans. Data kept becomes the baseline for future projections and review of plans in a later date or time.
- It is an exercise that assesses the viability of a proposed venture.
- It provides a step by step approach towards reaching a decision.

## **2.6 DEVELOPMENT OF A BUSINESS PLAN**

In developing an effective business plan it could take a long or short time depending on the experience and knowledge of the entrepreneur as well as the purpose it is intended to serve. The business plan should be comprehensive enough to give any potential investor or anyone interested in the business a good or complete picture and understanding of the new firm. Business plan is an important document which shows what the entrepreneur intends to do. It should include at least the following:

Introductory Page or Cover Page, Executive Summary, Industry Analysis, Description of Venture, Production Plan, Marketing Plan, Organisational Structure, Assessment of Risk, Financial Data / Plan and Appendixes

### **2.6.1 INTRODUCTORY PAGE OR COVER PAGE**

The cover or Introductory page sets out the basic concept that the entrepreneur is likely to develop. It is very essential to investors, because the amount of investment needed can be

determined without reading through the whole business plan. The contents of the title or cover page provides a brief summary of the business plan. It should contain:

- The name and address of the proposed venture
- The statement of the confidentiality of the report. This is for security purpose and is vital for the entrepreneur.
- The name of the entrepreneur(s) and their telephone numbers.

### Executive Summary

This is brief overview of the most important information in a business plan. It tends to evaluate the worth of a business plan on the basis of this summary; it generates sufficient interest, thus whether the remainder of the document (business plan) should be awarded to another person for overview. It outlines the entire business plan, its major objectives, how these objectives will be accomplished and the expected result. Thus, it highlights the nature of the venture, financing need, marketing potential and support as to whether it will succeed.

### Industry Analysis

It is important to put the new venture in a proper context. In particular the potential investor, while assessing the venture on a number of criteria, needs to do an industry analysis in order to know which industry the entrepreneur will be competing in. the discussion of the industry outlooks, including future trends and historical achievements should be included. The entrepreneur should also provide insight on new product development in this industry. Competitive analysis is also an important part of this section. Each major competitor should be identified, with appropriate strengths and weaknesses described, particularly as to how they might affect the new venture's potential success in the market. The market should be segmented and the target market for the entrepreneur identified, since most new ventures are likely to

compete effectively in only one or a few of the market segments. This strategy may be a function of the competition, which may be more vulnerable in one or a few segments of the total market.

#### Description of Venture

In describing the venture it should be detailed under this heading what the business intends to do, this will help the investor to ascertain the size and scope of the business, the personnel and office equipment that will be needed.

The location of a business is essential to its success; decision on the location of a business is a function of the business plan. This function assesses the building or space the business will occupy. This must be evaluated in term of access to good roads electricity, customer, suppliers and the cost of transportation to and from the location of business to market and the source of raw materials.

Maps that locate customers, competitors and even alternate locations for building or site can be helpful in assessing the choice of business location. Some of the important questions that can be asked by an entrepreneur in deciding the location of the venture are as follows;

- i. How much space is needed?
- ii. Should the building be bought or leased?
- iii. What is the cost of buying or leasing?
- iv. Is the size zoned for commercial use?
- v. Is the renovation of the building necessary?
- vi. Is there adequate parking?
- vii. Is the existing facility has room for expansion?
- viii. What is the economic and demographic profile of the area?
- ix. Is there an adequate labour pool?



- x. Are sewage, electricity and plumbing adequate?
- xi. What is the tax structure and rate relating to that area?

Decision involving legal issues such as lease, must be taken wisely to avoid future litigation.

### **2.6.2 PRODUCTION PLAN**

It detailed how the product will be manufactured. It describes the firms existing or planned product(s) It describes the physical plant layout, machinery and equipment needed to perform the manufacturing operation, raw materials, suppliers names, address and the terms; cost of manufacturing and any future capital equipment needed. It is important for assessing the financial rules for manufacturing business.

### **2.6.3 MARKETING PLAN**

It describes how the product(s) or service(s) will be distributed, priced and promoted. Under this, the entrepreneur states whether to market its product directly to the consumer or through intermediaries (retailers). The image that will be conveyed to the customers must be established before the venture is begun. The advertising and promotional strategies should be delineated. Each marketing support strategy must be consistent with the other marketing strategies and the over all strategy. Specific forecasts for product(s) and service(s) are indicated in order to project profitability of the venture and the budget and appropriate controls needed for marketing strategy decisions.

#### **2.6.4 ORGANISATION PLAN**

Organisation plan describes the form of ownership and lines of authority and responsibility of members of the new venture. It explains how members carry out the plan and must also discuss employee's policies and procedures. The managers are identified with their qualification and experiences. The other employees are also identified with their various technical backgrounds. The organizational structure also lays out the hierarchical structure of the business. They also state the kind of employees to hire, how to hire them and what kind of promotion system to use, and how to pay them. This part of the business plan describes the venture's form of ownership that is proprietorship, partnership, or corporation. It is important to detail the shares of stock authorised, share options, names and addresses and resumes of the directors and officers of the corporation. This information provides the potential investor with a clear understanding of who controls the organisation and how other members will interact in performing their management functions.

#### **2.6.5 ASSESSMENT OF RISKS**

It identifies potential hazards and alternative strategies to meet business plan goals and objectives. Every new venture will be faced with some potential hazards, given particular industry and competitive environment. Assessment of risk therefore enables the entrepreneur of the small-scale enterprise to prepare effective strategy to deal with them. Major risk for a new venture could result from a competitor's reaction, weakness in marketing, production or management team, and new advance technology that may render the new product obsolete. This will help the entrepreneur to provide alternative strategies should any of the above risk factors

occur. These contingency plans and strategies illustrate to the potential investor that the entrepreneur is sensitive to important risks and is prepared should any occur.

#### **2.6.6 FINANCIAL PLAN**

Its projections of key financial data determine economic feasibility and necessary financial investment commitment. Like the marketing, production and organisation plans, the financial plan is a vital part of the business plan. The financial plan helps to determine the potential investment's commitment needed for the new venture and indicates whether the business plan is economically feasible. Generally, three financial areas are discussed in the business plan. First, the entrepreneur should summarize the forecasted sales, cost of goods sold, general and administrative expenses. The net profit after taxes is also projected in this plan by giving an estimate of the taxes.

The second major area of financial information needed is the cash flow figures for, three years, with first year's projections provided monthly. Since bills have to be paid at different times of the year, it is important to determine the demands on the cash on a monthly basis, especially in the first year. The sales projections may be irregular and receipts from customers may be spread over the entire financial period, thus necessitating the borrowing of short-term capital to meet fixed expenses such as salaries and utilities (in terms of recurring nature).

The balance sheet projection is another important item that is to be considered in the financial plan. This shows the financial condition of the business at a specific time. It summarizes the assets of the business, its liabilities (what is owed), the investment of the entrepreneur and any

partners, and retained earnings (or cumulative losses). A form for the statement of financial position is included with more detailed explanations of the items included. Any assumption considered for the balance sheet or any other item in the financial plan should be listed for the benefit of the potential investor.

### **2.6.7 APPENDIX**

The appendix of the business plan usually contains all material that act as backup for information that may not necessarily be included in the plan. Reference to any of the documents in the appendix should be made in the plan itself. Other components of the business plan such as organisational structure and chart are included in the appendix. Documentation of information such as secondary data or primary researched data used to support the plan should be included. Leases, contracts or any other type of agreement that have been initiated may also be included in the appendix.

Letters from customers, distributors are examples of information that should be included in the appendix. Brochures, news items, letters of recommendations, or endorsement, photographs and similar items such as price list from suppliers and competitors may be included as well.

Location map should also be included in the appendix that is, a map showing where the new venture will be situated or located.

### **2.7 SUCCESS REVIEW**

Success is achievement of an action within a specified period of time or within a specified parameter. Success can also mean completing an objective or reaching a goal. Success can be

expanded to encompass an entire project or be restricted to a single component of a project or task. It can be achieved within the workplace, or in an individual's personal life. For example, if an individual's personal goal is to be accepted in a new career, success would occur after the individual has been officially accepted into his or her new place of employment.

There are many things that contribute to making a business successful, such as starting the business in the right place, at the right time, smart and innovative ideas, a good working strategy, brilliant planning, evaluating and instituting effective short term and long term goals, or it may be just plain luck.

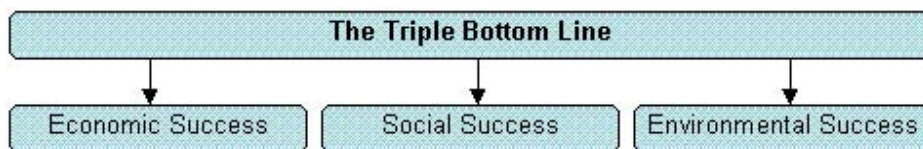
Some businesses become successful over night, some may grow and mature with time, and others may never get off the ground. Some people are born entrepreneurs while others have to work hard making their business successful. No one has a formula for success that will work for every type of business or for every individual but that is not to say there are no criteria for success.

### **2.7.1 CRITERIA FOR JUDGING SUCCESS**

There are different views about what makes a successful business. Typically success should be judged by the ability to meet objectives. Using this definition, success criteria would include:

- Levels of sales
- Levels of profits
- Levels of consumer satisfaction
- The production of quality products and or services
- Strong reputation
- Sustained growth.

*Ron Finklestein*(February 24, 2006)Today the success of a business is frequently judged by its ability to achieve sustainable growth. Companies like Nestle and Cadburys Schweppes achieve sustainable growth by working towards achieving success in each of three elements of a Triple Bottom Line.



Success for these companies involves keeping their main stakeholder groupings happy e.g. high profits and earnings per share for shareholders, good employment prospects for employees, fair trade with suppliers, and wider community involvement.

### **2.7.2 SUCCESSFUL BUSINESSES**

Businesses are able to establish targets in relation to each of the aspects of the bottom line e.g. increasing profit by x %, gaining employee satisfaction of y%, and minimizing their environmental impact. The success of businesses can then be judged in terms of their ability to meet important targets and creating a cycle of stakeholder satisfaction. Successful businesses take a long term rather than a short term view of success. Attaining success involves meeting objectives for a range of desirable outcomes, which create a cycle of stakeholder satisfaction.

### 2.7.3 WHAT SUCCESSFUL BUSINESSES HAVE IN COMMON

- i. **Company Culture:** Culture is defined as the "integrated pattern of human knowledge, belief and behavior that depends upon man's capacity for learning and transmitting knowledge to succeeding generations." For successful companies, culture is about attracting and hiring the people who would be most successful in that specific organization. And it's about driving the behavior that makes the company successful.
- ii. **Customer Service:** Simply defined, customer service means taking care of your customers. Many companies integrate customer service into their business culture through training and the design (and frequent redesign) of relevant business processes. In most cases, the business plan dictates how they will provide quality customer service.
- iii. **Attitude:** As the owner of the company, he must have a positive attitude and accept 100 percent of the responsibility for the results of your business. When you accept responsibility, you can act to make the necessary changes to accomplish the desired results. Then, when success is achieved, you're generous in giving credit to others within the organization. Without exception, the most successful business owners understand that it's all about people: hiring and retaining the right people, eliminating ineffective people and providing the necessary resources for employees to master their tasks.
- iv. **Business Strategy:** A complex strategy or business plan isn't necessary to achieve success. A simple one-page document will do, but it should be well thought out and well executed. A poorly crafted business plan that's well executed is far superior to the well-crafted business plan that sits on the shelf collecting dust. A good business plan defines and drives the activities and behaviors of the entire organization. Without it, the business becomes a ship without a rudder; it simply can't be steered and ends up going around in

circles. A sound strategy should include a financial plan, marketing differentiators, and product strategy as well as a plan for employee retention.

- v. **Discipline:** Discipline is all about executing the strategies and then staying the course. It's about staying focused on your core markets and measuring success as defined by your business strategy. It's not about overreacting to market changes and adjusting your core strategy to keep up.
- vi. **Risk:** Successful business owners aren't afraid to take calculated risks with clear outcomes in mind. Most owners who take risks do so because they recognize the need to change as the economic climates changes, and they understand it's disastrous not to embrace change. Successful business leaders understand that being in business is about managing and responding to change. Companies that succeed embrace change and respond to challenges presented by the market, the competition or changes in general business conditions.
- vii. **Financial Roadmap:** An important attribute is the creation of a financial roadmap and budget--and then having the discipline to follow it. A financial plan reminds owners where and how to spend money, and it provides ways to measure progress or shortfalls. A sound financial plan is the cornerstone of a great business plan.
- viii. **Business Processes:** Another frequently credited attribute of success is the streamlining of business processes. We call this "creating predictability." Unfortunately, this is probably the least understood task a small-business owner can take accomplish. Business processes are how things are done within a business. Every company has some processes; some are clearly defined, others are implicit. The intention here is to increase productivity and reduce costs while generating the same (or better) outcomes. Successful



- businesses understand the need to continuously improve their business processes: to become more efficient and productive, and to respond to market changes faster while providing better service to customers.
- ix. **Information Technology:** While technology is important, it doesn't have to be complex or costly to be effective. Effective technology is probably the most important enabler for change that a company can introduce.
  - x. **Marketing:** Effective marketing efforts perform different functions around unique selling environments. For example, business-to-consumer enterprises have completely different marketing needs than business-to-business companies. Having a good understanding of the pains your clients are experiencing and how your product and services stop that pain can help you understand just how to market to your customers--and that's critical to business success.
  - xi. **Sales:** Every company's approach to sales is different. Some depend on building referral partnerships and strategic alliances, and this is the extent of their sales process. Others aggressively attack the market with direct-mail campaigns, cold calling and other forms of direct customer contact. The specific selling approach a company uses is usually defined by its marketing plan. Successful owners know that the concept of selling is a process that can be measured and improved, like all business processes. They talk about the importance of having a consistent, measurable and repeatable sales process, and they engage professional sales trainers (with flexibility to customize training to their selling environment) to help create consistency within their selling process.
  - xii. **Training:** Because we live in a world of continuous change, it's more important than ever to implement a culture of continuous learning. For many successful owners, continual

investment in training is a major contributor to success. For training to be successful, however, there must be a direct link back to the business plan and an understanding of how training supports the successful implementation of the business strategy.

- xiii. **Team of Advisors:** Without exception, every successful business owner has talked about how having trusted advisors is necessary for success. They know they can not know everything and they searched out advisors they could trust. They usually preferred to pay for this advice because they were looking for someone who would challenge them, hold them accountable, ask them important questions and introduce them to others who could help them when necessary.
- xiv. **Work/Life Balance:** Successful business owners understand that every person has just 1,440 minutes in any given day and how they spend this time directly impacts how effective they'll be in growing their businesses. Smart entrepreneurs successfully integrate their social lives into their business lives: The client who purchases a product today gets invited to the lakeside cabin the next weekend. Clients become friends, and co-workers become like family. These entrepreneurs build their lives around their business, and it's almost impossible to distinguish between their social lives and their business lives.

## **CHAPTER THREE**

### **METHODOLOGY**

#### **3.1 INTRODUCTION**

This chapter helps to provide a comprehensive description and evaluation of the methods and processes employed in the collection and analysing of data. It looks at the Research Design, Population, Sample and Sampling Procedure, Instruments, Data Collection and Data Analysis.

#### **3.2 RESEARCH DESIGN**

The study adopted exploratory research which is a form of research conducted for a problem that has not been clearly defined. Exploratory research helps to determine the best research design, data collection method and selection of subject. It draws a definitive conclusion only with extreme caution. Exploratory research often relies on secondary research such as qualitative approaches. This type of research was adopted because it helps to increase understanding, it has better conclusion and there is flexibility of sources.

#### **3.3 RESEARCH APPROACH**

This study uses qualitative method. This approach is used because the researchers seek to uncover the deeper meaning and significance of entrepreneurs' behavior and experience, including contradictory believes, and not in obtaining information which can be generalize to other larger groups. This approach is considered by the researchers in order to come out with effective work for the area of study.

### **3.4 POPULATION**

Population refers to all the elements, cases or individuals that fall within a certain specification or description. It may also be said to be all the elements cases or individuals with certain common characteristics. The population for this study is all small scale business owners that have business plan within the targeted locations, but for the purpose of this study we are interested in retrieving information from only one owner of each enterprise even in the case of having two or more owners. The researchers surveyed these localities and we had forty respondents as our population size.

### **3.5 SAMPLING AND SAMPLING PROCEDURE**

Sampling is the process of selecting a number to represent the population. The sample size for this study is forty which is hundred per cent of the population. Convenience sampling was used to determine the size. It is said that hundred per cent of the population size can be used as the sample if the number is thirty. Though the number is forty, for convenience sake and the fact that the cost of extra ten was not too much to bear, the population size was used as the sample size. Choosing this size will help the researchers to obtain in-depth information thus, avoiding any significant bias on the part of the researchers.

### **3.6 RESEARCH INSTRUMENTS**

The researchers used questionnaires and interviews in collecting data. The researchers prepared the questionnaires with over twenty simple pre-test questions to be responded by only one member that forms part of the ownership of each enterprise. There are two forms of questions in

the questionnaire. These include close-ended and open-ended questions. The open ended questions are ten with four sub questions under them and ten close ended ones.

Unstructured interviews are to be used to obtain more information on the subject (owners) of the study. Through this approach, the researchers know about the various divisions in the venture and other related information that would help to produce an effective study. The questions were designed to make the purpose of the study successful after the results have been ascertained to ensure the validity and reliability of the study.

### **3.7 ADMINISTRATION OF INSTRUMENTS**

The questionnaires were distributed to the sampled respondents to know how they comprehend the idea of business plan, how it is to be used and the way to move forward. Though it took nearly one month for all questionnaires, interviews and discussions to be completed the researchers handed over the questionnaires to the respondents in time and this gave them enough time to study the pattern of the questionnaires and to answer appropriately without being rushed. With the interview the researchers sought for an appropriate time, and appointments were booked with the proprietors. The interview gave uniform information, which assured comparability of data.

### **3.8 SOURCES OF DATA**

The researchers collected data for the study from two main sources. These sources were primary and secondary sources of data. Primary data are data collected directly from the field by the researchers through the administration of questionnaires and interviews granted. They were first hand information collected by the researchers.

The secondary data on the other hand was collected from text books, manuals, the internet, journals and other published supplies.

### **3.9 ANALYSIS OF DATA**

The data was organized into tables and figures based on the questionnaire given to respondents. The result were then analyzed and converted into percentages and other charts. Quantitative and qualitative method was employed in the analysis of the data. The result was subsequently computed into percentages. Percentage values, which were not round figures, were approximated to the nearest whole numbers. Diagrammatic representations of the statistical summaries of the result were presented in the form of pie charts, graphs frequency tables.

## **CHAPTER FOUR**

### **RESULTS AND DISCUSSION**

#### **4.1 INTRODUCTION**

This chapter deals with the analysis of the information obtained from administering questionnaire and interview to forty small – scale business owners at Kumasi, Bantama and Amakom to be precise. The researchers have grouped all the respondents into traders (all those who buy for the purpose of reselling), manufacturers (fruit processors, water processors and producers of non alcoholic beverages), and service providers (hair dressers, tailors and seamstresses, shoe makers, restaurant operators, washing bays, vulcanizers, repairers and basic private school owners) the data obtained has been presented in the form of table and on bar graphs.

#### **4.2 DATA ANALYSIS**

The researchers analysed data collected from all their respondents by using tables, pie charts and bar graphs to represent all interviews and questionnaires.

### 4.3 Types Of Businesses Of Respondents

**Table: 4.1: Types Of Business**

<b>Type of Business</b>	<b>Number of Respondent</b>	<b>Expressed in Percentage</b>
Traders	26	65
Manufacturers	5	12.5
Service providers	9	22.5
<b>Total</b>	<b>40</b>	<b>100</b>

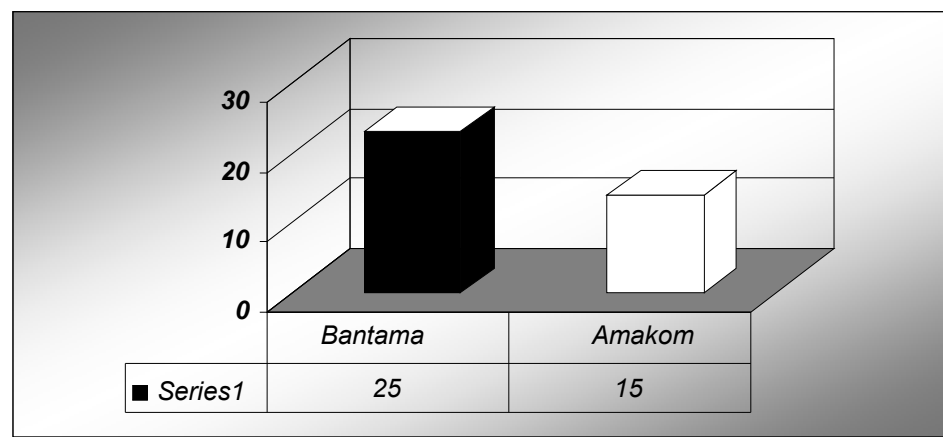
**Source: Field Data, May, 2013**

Among the forty (40) respondents contacted, twenty six (26) of them were petty traders and represents 65%, five (5) were manufacturers and represents 12.5% and nine (9) of them were also service providers representing 22.5%. This result clearly shows that there were more petty traders than the other aspects of businesses in Bantama and Amakom area followed by service providers with manufacturers being the least in this survey and the dominance of petty traders may be as a result of low capital requirement, minimal space or place requirement and little legal requirement.



4.4 Location Of Business

Figure: 4.2: Location Of Business Respondents



Source: Field Data, May, 2013

The research work was conducted in Bantama and Amakom, respondents were 25 and 15 respectively from structured interview and all forms of interview conducted by the researchers. This analysis shows that there are more small scale businesses at Bantama than Amakom and this may be due to perhaps the prominence of Bantama in terms of business. This we think has attracted many small scale businesses to the locality hence greater competition in the market which has prompted many enterprises to the use of business plan.

#### 4.5 Gender Of Respondents And Their Locations

**Table: 4.3: GenderOf Respondents At Both Locations**

Location	Gender		Percentage (%) representation	
	Male	female	Male	female
Bantama	16	9	64	36
Amakom	12	3	80	20
<b>Total</b>	<b>28</b>	<b>12</b>	<b>70</b>	<b>30</b>

**Source: Field Data, May, 2013**

Among the twenty five (25) respondents at Bantama, sixteen (16) of them weremales representing 64% and nine (9) of them were females representing 36%. With the fifteen (15) respondents who were at Amakom, twelve of them were males representing 80% and three (3) of them were females representing 20%. In all twenty eight (28) respondents were males representing 70% and twelve of them representing 30% were females.

#### 4.6 Forms Of Business Ownership

**Table: 4.4: Form Of Business Ownership**

Form of Business ownership	Number of Respondents	Expressed in Percentages
Sole Proprietorship	32	80
Partnership	8	20
<b>Total</b>	<b>40</b>	<b>100</b>

**Source:Field  
Data, May,  
2013**

The information gathered under this table revealed that 80% of all the people contacted were operating their businesses as sole proprietors. Our analysis showed that sole proprietors most of time, do not go according to their business plan (table: 4.5 and figure 4.6) and this in the view of the researchers, is as a result of the fact that sole proprietors have control over everything including decision making, they respond to situations as and when they arise that they do not bother consulting what's in their business plan. Partnership type of business constitute only 20% and they are those that according to the data gathered go strictly by their drafted business plan. By this we the researchers think is because decision making is not in one person's power, Partners often use their business plan more effectively than sole proprietors because they want to maintain the orderly way of reacting to issues like opportunities, challenges and decision making.

#### **4.7 Number Of Respondents Under Each Form Of Business Ownership**

**Table: 4.5: Respondents Of Each Form Of Business Ownership**

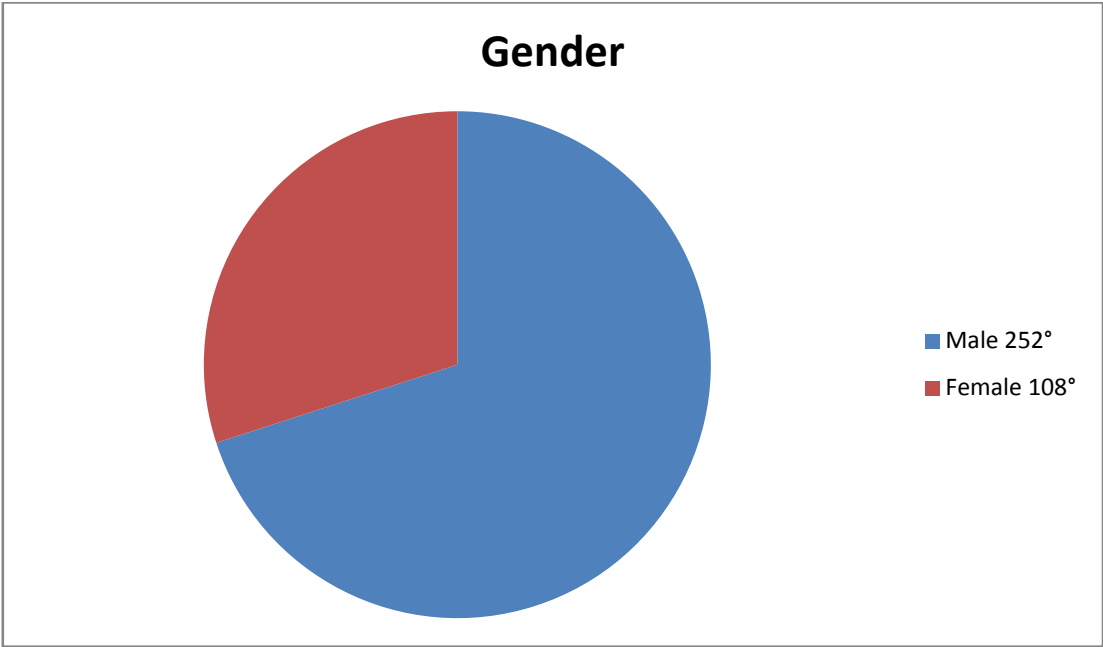
Type of business	Forms of business ownership		Percentage (%) representation	
	Sole proprietorship	partnership	Sole proprietorship	partnership
Traders	21	5	19.2	80.8
Manufacturers	3	2	60	40
Service providers	6	3	66.7	33.3
<b>Total</b>	14	26	35%	65%

**Source: Field Data, May, 2013**

From the table, it can be seen that out of the twenty six (26) number of traders, twenty one (21) of them are sole proprietors constituting 80.8% of the entire traders and five (5) being partners constituting 19.2%. Also five respondents who are in the manufacturing sector, three (3) of them are sole proprietors representing 60% and two (2) are partners representing 40% of the entire manufacturers. The other nine (9) who are service providers, six of them are sole proprietors representing 66.7% and three are partners representing 33.3%. In all out of the forty (40) respondents, fourteen (14) are sole proprietors representing 35% of the entire respondents and twenty six (26) are partners representing 65% of the respondents.

**4.8 Responses Of Whether Small Scale Businesses Do What’s In Their Business Plan.**

**Figure: 4.6: Gender Respondents**



**Source: Field Data, May, 2013**

The pie chart above revealed that 252° of those interviewed as well as those to whom questionnaires were administered to were males and their total number was 28 with the remaining 108° being females also 12 in number.

The study further found out that female owners have more problems with the understanding of business plan. as compared with male counterparts. According to female entrepreneurs business plan becomes very important only when it is being use for attracting loan from banks. Due to this perception they seem to have more problems with the use of business plan. They do not see the importance of it as they think technology and taste change the way things are done and preferred rapidly. Unlike the female respondents, males have little problems with business plan because of their understanding of business plan.

#### **4.9 Age Of Respondents**

**Table: 4.7: Data On Age Of Respondents**

<b>Age Categories</b>	<b>Number of Respondents</b>	<b>Expressed in Percentages (%)</b>
21-25	<b>6</b>	<b>15</b>
26-30	<b>12</b>	<b>30</b>
31-40	<b>8</b>	<b>20</b>
41-50	<b>5</b>	<b>12.5</b>
Over 50	<b>9</b>	<b>22.5</b>
<b>TOTAL</b>	<b>40</b>	<b>100</b>

**Source: Field Data, May, 2013**

Most of the people especially the petty traders were within the age categories of 21-25, 26-30 and 31-40 constituting 65% of the entire respondents. 12.5% of the respondents were within the age range of 41-50. 22.5% of the respondents were over 50 years of age and these constitute majority of the respondents who operate private basic schools. Respondents within the age range of 41-50 seem not to have many problems as far as business plan is concerned. This is because they have much experience in running a business, understand it better and know the benefits or importance associated with it. Since the age range of 41-50 constitute manufacturers they also understand the use of business plan even better. They attributed so many benefits to it and recommended business plan for every business owner regardless of its size.

#### 4.10 Educational Background

**Table: 4.8: Respondents educational background**

<b>Qualification</b>	<b>Number of Respondents</b>	<b>Expressed in Percentages (%)</b>
first degree	12	30
HND	5	12.5
<b>O'Level / A' Level</b>	3	7.5
SSCE/ WASSCE	10	25
Middle School Leavers Certificate (MSLC)	4	10
JSS	6	15
<b>TOTAL</b>	<b>40</b>	<b>100</b>

**Source: Field Data, May, 2013**

It was discovered that twelve of the respondents which constitute 30% of the entire population were first degree holders. Their understanding of business plan is much appreciating, comparing the descriptions they gave with ours. In the researchers opinion this may be due to the fact that they were made to practice it in school as a course. 12.5% were HND holders and, 10% had up to senior secondary school education, 7.5% had O' Level/A' Level certificate, 10% had middle school leavers certificate and the remaining 15% junior high school leavers.

Most of the people contacted with higher educational background were doing well with the running of their businesses as compared to their counterparts with less educational background. This was deduced from the responses received.

#### **4.11 Businesses That Operate Strictly According To Their Business Plan**

**Table: 4.9: Responses Of Whether Businesses Operate Strictly According To What's In Their Business Plan**

Nature of business	Number of respondents		Expressed in percentages (%)	
	Yes	No	Yes	No
Trading	12	14	30	35
Manufacturing	3	—	7.5	—
Service providing	7	4	17.5	10
<b>Total</b>	<b>22</b>	<b>18</b>	<b>55</b>	<b>45</b>

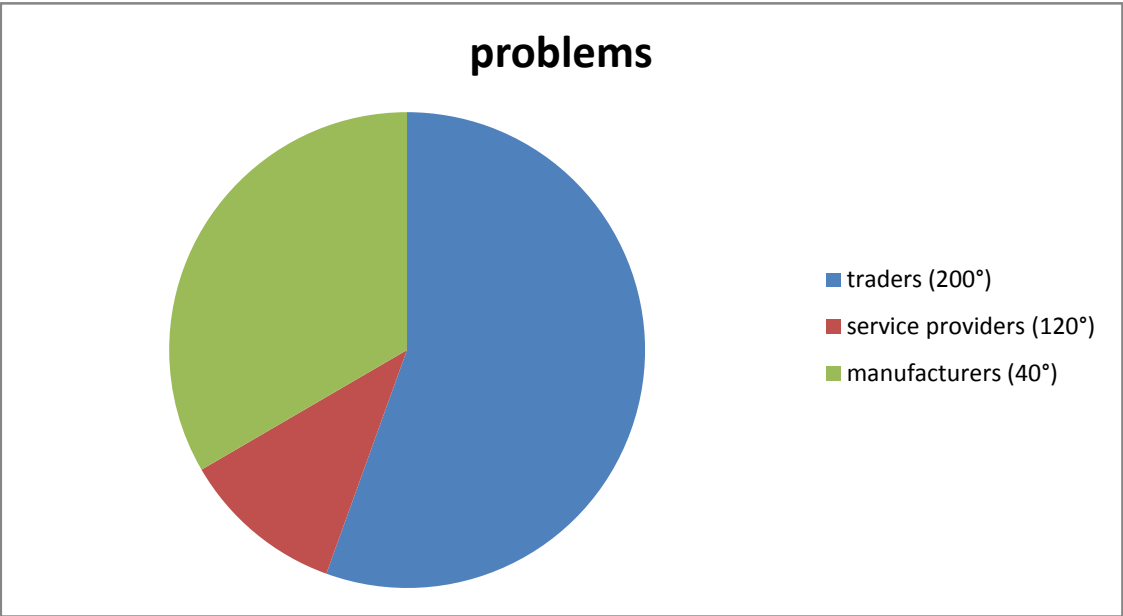
**Source: Field Data, May, 2013**

This table analyses what small businesses do and whether they operate strictly according to what is in their business plan. Out of the 65% of traders, 30% said they operate strictly according to

what is in their business plan and 35% said contrary to that. 7.5% of the total respondents were manufactures and they all said they go strictly according to what is in their business plan. Service providers were eleven in number and constituted 27.5% of the total respondents. Out of the 27.5%, 17.5% said they go strictly according to their business plan while the remaining 10% said the opposite.

4.12 Problems With The Use Of Business Plan

Figure: 4.10: Respondents Who Face Problems With The Use Of Business Plan.



Source: Field Data, May, 2013

This pie chart shows the degree of businesses that face problems with the use of business plan. From the data gathered, we found out that among the twelve (12)traders who go strictly to their business plan, ten (10) of them representing 200° had problems. The number of respondents representing 120°were manufacturers, they allgostrictly to their business plan and all of them had problemsand out of the seven (7) service providers, six of them constituting 40° hadproblems.



This also shows in a broader sense that out of all the twenty two (22) small scale business owners who go strictly to their business plan, 81.8% representing eighteen in number have problems with the use of business plan.

#### **4.13 Respondents who have no problem with the use of business plan and their sentiments**

Respondents who have no problems with the practical use of business plan can be grouped into two categories and they are: those who do not go strictly to their business plan and those who go strictly to their business plan.

Those who do not go strictly to their business plan shared these sentiments:

They said due to the nature of their businesses they always have to be implementing new things which may be outside the business plan and they have the chance to take decision that best suits customer demands. To them they have to follow new trend when it becomes necessary to withstand technological advancement, environmental and climate changes, unstable economy, competition and issues of the law of the country which help them to meet their targets successfully with much ease.

Those who go strictly to their business plan and still have no problems and their sentiments:

The respondents who fall under this category represent 18.2%. This can be referred from the analyses given under the figure 4.6 above. These people said going strictly to business plan helps them to create a solid guiding foundation which to them is the first step toward success in their business venture. From obtaining funding to hiring employees, to planning for expansion, a business plan keeps them focused on their goals and keeps them moving forward when faced with obstacles.

#### 4.14 Businesses And Their Problems

**Table: 4.11: Problems Identified With The Practical Use Of Business Plan:**

Type of business	Number of respondents	Expressed in (%)	Problems identified
Traders	4	40%	Changes of taste and preference, technological changes, environmental and climate changes and competition do not allow them meet the needs of their customers.
	6	60%	Shared different sentiments which were particular to the nature of their businesses, like legal issues etc.
manufacturers	3	100%	Rapid changes in technology, taste of consumers competition.
Service providers	6	100%	Slows down services rendered to customers, new trend in fashion and technological changes.

**Source: Field Data, May, 2013**

From the above table, it can be seen that every respondent talked about technological changes as a problem. In view of this we can say that it is a major problem or challenge that made the practical use of business plan difficult.

When does a business need a business plan?

According to thirteen (13) respondents at Bantama, businesses need business plan before starting a business because it reduces trail and error; while seven (7) said it is necessary when the business is in progress because business plan is only important when acquiring loan from the bank and five (5) persons expressed their view that business plan is needed when the business collapses but have no reasons as to why they share that sentiment.

At Amakom fifteen (15) respondents responded to this question with the view that business plan is necessary at the start of every business.

## **CHAPTER FIVE**

### **SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION**

#### **5.1 INTRODUCTION**

This chapter consist of summary, conclusion and recommendation which are incidental to the objectives and significance of this study.

#### **5.2 SUMMARY OF FINDINGS**

The study found out that to the middle class, to start a business means you must have an entrepreneurial instinct which is an overwhelming desire to have your own business. They believe you must have the guts and dedication to be completely devoted to your goals. Every business needs money of its own plus a sufficient cash to maintain a positive cash flow for a period of time. According to them they do not understand the elements of their business plan which make it difficult to practice it in their business.

The researchers found that to the degree holders their understanding of a business plan is; a written document prepared by the entrepreneur that describes and all the relevant external and internal elements involved in the day to day operations. To them it is a guide to the success of their business, whiles the others think of business plan to be a guide that helps businesses to achieve their goals and objectives.

Our analysis showed that traders most of time, do not go according to their business plan and this, in the view of the researchers is as a result of the fact that they have control over everything

including decision making, they respond to situations as and when they arise that they do not bother consulting what's in their business plan.

Most small scale businesses are into trading, manufacturing and service providing.

According to our analyses those in trading believe that what is in their business plan (that is their elements) is their ability to provide their customers with quality goods at affordable prices.

Those in the manufacturing sector go strictly to what is actually in their business plan with little problems. They believe that business plan is a helpful instrument that can lead them to their business' success. Manufacturing businesses have elements in their plan to come out with a new product that will satisfy their customers in relation to their finances, marketing structure and contingencies.

We also found out that since traders do not see the importance of going by their business plan they turn to have more problems as compared to manufacturers who follow their business plan from time to time. This argument can be drawn from figure 4.6.

According to the majority of respondents, businesses need business plan before starting a business because it brings about more benefits. To them it reduces trial and error that could be a future disturbance to the business' operations, aids faster decision making, can be used for loan acquisition and can help the business achieve its goals and objectives.

### **5.3 CONCLUSION**

From the review and analysis it is realized that business plan is of great importance to the small scale businesses and the country as a whole, there are several businesses whose lives depend on the survival of business plan, because it provides almost all the fundamental guidance to achieve their objectives for the successful growth of their businesses. Most small scale businesses are into trading, manufacturing and service providing.

In spite of all these small scale businesses are faced with lots of challenges associated with the practical use of their business plan which needs to be checked to help them grow and meet the demands of this modern world. If these are neglected it will go a long way to affect the operations of small scale businesses and defeat its roles of helping develop a strong economy and a contributor to the country's Gross Domestic Products (GDP).

Women approach business leadership with a different perspective than what the males do. As a result they relate more easily to the experiences of other women business owners.

The study further found out that female owners have more problems with the understanding of business plan as compared with male counterparts. According to female entrepreneurs business plan becomes very important only when it is being use for attracting loan from banks. Due to this perception they seem to have more problems with the use of business plan. They do not see the importance of it as they think technology and taste change the way things are done and respond rapidly to these changes. Unlike the female respondents, males have little problems with business plan because of they understand it better and also know the importance or benefits associated with it.

## **5.4 RECOMMENDATIONS**

In view of the findings and the conclusion derived from the study, the following are recommended;

1. Since our findings show that female entrepreneurs have little understanding about the practical use of business plan in their various businesses, we recommend that female advocates for small scale businesses should hold seminars to educate and advice our female entrepreneurs to enlighten them about the importance associated with the practical use of business plan.
2. We also recommend that consultants should use our findings to address issues related to the practical use of business plan to their clients.
3. We need to convert the experiences of women who have achieved high business growth into practical learning programs that are available to every women aspiring to lead flourishing enterprises. This body of knowledge must move beyond motivational commentary of focus on the nitty-gritty specifics to best practices to avoid mistakes
4. Small-scale enterprises can today be seen as an engine of growth in launching Ghana into middle level income nation. Hence adequate preparation should be put in place by the government through its requisite agencies to encourage owners of small-scale enterprise to practice the use of business plan in running their firms.

5. It is in this light that the government needs to resource the National Board for Small-Scale Industry and the Ministry for Private Sector Development to educate the public about the need for business plan in establishing a small-scale venture. The importance of business plan to the successful running of the small-scale enterprise must be made known to them.
6. The Business Advisory Centre (BAC) of NBSSI must be established in the entire Districts in Ghana. The staffs of BAC must educate especially the owners of small up coming business and the youth as well through seminars. These seminars or workshop should be free to encourage the owners of small-scale enterprise to participate. Owners of small-scale enterprises could be encouraged to form associations so that organising such seminars or workshops for them will be easy. These educational programs should be conducted in the local dialect since owners of most small-scale enterprises are not highly educated. Conducting these seminars or workshops in the local dialect will encourage them to participate.
7. The staffs of Business Advisory Centre (BAC) should always make themselves available for the owners of small-scale enterprises to be able to contact them when the need arises.
8. It is therefore prudent on the owners of small-scale enterprises to seek expert advice or engage the services of experts when developing their business plan which is an effective tool for the success of enterprises.



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**Appendix**  
**QUESTIONNAIRE**

We are final year student of the Christian Service University College writing long essay on the topic ‘ASSESSING OR EVALUATING THE PRACTICAL USE OF BUSINESS PLAN BY SMALL SCALE BUSINESSES IN KUMASI’ We will be grateful if you could take some time of your busy schedule to respond to our questionnaire.

Any information provided will be for academic purposes only. We declare that any information given will be treated confidential.

Thank you.

Please tick ( ) where applicable

1. Type of Business

.....

2. Name of Business

.....

3. Location

.....

4. What is the nature of your enterprise?

.....

a) Sole Proprietorship [ ]

b) Partnership [ ]

c) Limited Liability [ ]

d) Others .....

5. Gender: Male [ ] Female [ ]

6. Age 21 -25 [ ]

26 – 30 [ ]

31 – 40 [ ]

41 – 50 [ ]

50 – Over [ ]

7. Highest Educational qualification

2<sup>nd</sup> Degree [ ] SHS [ ]

1<sup>st</sup> Degree [ ] JHS [ ]

HND [ ] Others [ ]

A' Level [ ]

O' Level [ ]

MSLC [ ]

8. Number of employees

.....

9. Does the business have a goal that it wishes to achieve?

YES [ ] NO [ ]

10. What are the likely factors that made you reach your goals?

.....

.....

.....

11. What is your understanding of a business plan?

.....

.....

12. Where did you first hear it?

School [    ]

Dailies [    ]

Friend [    ]

Workshop/Seminar [    ]

13. What are some of the elements in your business plan?

.....

.....

.....

14. Do you operate strictly according to your business plan?

Yes [    ]

No [    ]

a) If yes, how has it helped your firm?

.....

.....

.....

b) If No, Why don't you go by it?

.....

.....

.....

15. Do you face problems because you use business plan?

Yes [    ]

No [    ]

If Yes, what problems?

.....

.....

16. Is it important at all to use a business plan?

Yes [    ]

No [    ]

a) If yes what are some of the importance associated with it?

.....

.....

.....

b) If no what are your reasons

.....

.....

.....

17. At what time do you realize the importance of the business

plan?.....

.....

.....

18. When does a business need a business plan?

a) Before starting a business [    ]

b) Whilst the business is in progress? [    ]

c) When the business collapse? [    ]

19. Do you think the business plan can help you achieve your firm's future goals?

Yes [    ]

No [    ]

20. If there is a recommendation to your present status then what do you think is necessary to enhance the success of the business.

.....

General Comment.....  
.....

**Thank you.**