



**TEACH**  
A MAN TO FISH



## GUIDE 10

# BUSINESS MANAGEMENT



## SILVER LEVEL

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## Introduction

**Congratulations on submitting your Business Plan and reaching Step 3 of the SILVER Level of the School Enterprise Challenge Awards Programme!** Step 3 is the most exciting part of the programme, when your students get to put into practice their Business Plan into practice and focus on running a successful school business!

You can see the guides and topics we'll be covering in the table below:

| SILVER LEVEL: Step 3   |        |   |  |
|--|--------|---|--|
| STEP   | NUMBER | GUIDE                                   | TEMPLATE SECTION                             |
|  <p><b>STEP 3<br/>(Business Implementation)</b></p> | 10     | Business Management                     | A + B  |
|  | 11     | Marketing your Business                 | D  |
|  | 12     | Accounting and Record Keeping           | Appendix (F)<br>+ C<br>+ Financial Reporting |
|  | 13     | Managing your Team                      | D + E  |
|  | 14     | Sustainability and Business Development | E  |
| <b>SUBMIT ANNUAL REPORT!</b>   |        |   |  |

In order to be eligible to receive your Silver Award this year, your students will need to complete and submit their Silver Annual Report template before the deadline and make sure it **meets the [Silver Achievement Criteria](#)**.

The Annual Report is a record of your experience setting up and running your business. It's an opportunity for your students to share their main achievements, the challenges they faced, the skills and experience they have gained and the income and profit they have generated for their school.

This last step of the programme is **different in terms of how you will complete the Silver Annual Report template**, as the Step 3 Business Guides do not necessarily run in a logical order like at Steps 1 and 2. You will be **collecting bits of evidence and information over the months you will be running your business** that will help you write your Annual Report at the end of the programme.



**The Step 3 Business Guides do not necessarily need to be followed in a sequential order.** Following your Silver Business Plan, you will be dealing with the setting up and running of your school business at your own pace, so you can follow the Step 3 guides in whatever order is most helpful for you.

Our Business Guides will give you tips and advice to help you complete the different sections of the SILVER Annual Report template, as well as useful lesson ideas and activities.



Every time you see this picture in our guides, it means it is **an opportunity to collect evidence and information to complete a section on the Annual Report template**.

### 1. Processes – Operations

When you wrote your Operational Plan for your Business Plan, you will have thought about the one-off tasks you need to do to grow your business / start your new one. Likewise, you will have described all the ongoing tasks

needed to run your school business. Now that it is time for you to implement your Business Plan, you will need to **think in detail about your actual production process**, whether you will be selling a product or a service.

You might need to think about:

- What new assets will you need?
- What are the daily/weekly/monthly production activities?
- What are your inputs and where will you get them from?
- What are your outputs and where will you sell them?

*Production Flow*

A simple way to design your production system is by illustrating how you will produce or deliver your product or service. One way is by using a **flow chart** to show the different elements when producing a particular item or service. You will find below a flow chart example already filled out for a 'School Uniforms and Tailoring Service' business:

| <b>Business idea:</b> School Uniform Production |  |  |  |  |
|---|--|--|--|--|
| Sale Item or Service                            | How is it made or provided?                      | What equipment is needed?  | What raw materials are needed?   | What knowledge or skills are needed?   |
| School Uniforms                                 | Using a template to sew together school uniforms | <ul style="list-style-type: none"> <li>- Sewing machine</li> <li>- Sewing needles</li> <li>- Scissors</li> <li>- Pins</li> <li>- Measuring tape</li> <li>- Marking chalk</li> <li>- Uniform templates</li> </ul> | <ul style="list-style-type: none"> <li>- Textiles</li> <li>- Thread</li> </ul> | <ul style="list-style-type: none"> <li>- Sewing training</li> <li>- Guides for making each uniform (which materials, colours, etc.)</li> </ul> |

Now you can fill in the blank flow chart below with information from your business.

| Sale Item or Service | How is it made or provided? | What equipment is needed? | What raw materials are needed? | What knowledge or skills are needed? |
|----------------------|-----------------------------|---------------------------|--------------------------------|--------------------------------------|
|                      |                             |                           |                                |                                      |

At this point you will need to consider the “critical success factors” in your business production. **What do you have to get right in order to have a successful business? How will you ensure the quality of your product?** You could hold a brainstorming session with your students to put together all your ideas! E.g. “For our tailoring business to be successful, we need to ensure we develop good relationships with schools, ensure the material and final product are of an acceptable quality, and ensure we can deliver the product within the price accepted by the schools”.

You will also need to think of **the risks your business faces that may prevent it from being successful**. We suggest considering risks in production, the environment, social and economic risks, etc. E.g. “Our tailoring business faces the following risks: increase in price of material, power cuts preventing production, high turnover of staff, hiring low skilled staff, etc.”. **Refer back to the Risk Mitigation table you created** as part of your Operational Plan (Guide 6)!

## 2. Staff Rotas

You and your students should aim to run the school business as effectively and efficiently as possible. Putting in place a staff rota will help you to do this.



**In order to achieve your Silver Award, you must demonstrate in your Annual Report that every student in the business team has had experience in at least two different departments of the business. You can plan this rotation into your staff rotas (e.g. once per term, the students switch roles).** This rotation of roles will allow every student to gain valuable skills and insight into different areas of the business. Giving students varied experiences and new areas of responsibility is also a great way to keep the team motivated!

Don't forget that one of the Achievement Criteria for receiving your Silver Award is that **at least 30 students are involved in running your business** (or if the total number of students at your school is less than 180, you should have at least 10 students involved in running the business).

The following staff rota **example** has been based around a school business project set up by a school in Kenya who run a fruit plantation - once the fruit has been harvested by the students; they then sell it at the market.

This template **can be modified** to suit a small or large group of students by adding more rows or columns if needed

| Time Period<br>(Insert weeks/months) | Finance and Budgeting | Research | Selling       | Agricultural Work<br>(E.g. watering and weeding) | Advertising and Promotions with External Partners | Other areas of the business |
|--------------------------------------|-----------------------|----------|---------------|--|---|-----------------------------|
| Month 1                              | Priya                 | Tom      | Louis, Stuart | Matt, James                                      | Shanice, Olawale                                  | Abdul                       |
| Month 2                              | Abdul                 | James    | Matt, Olawale | Shanice, Stuart                                  | Louise, Tom                                       | Priya                       |
| Month 3                              | Matt                  | Abdul    | Shanice, Tom  | Priya, Louise                                    | Stuart, George, James                             | Olawale                     |



This is an opportunity to collect evidence and information that will help you complete Questions 1 and 2 in **'Section B: Running Our Business'** on your **SILVER Annual Report Template**.



For more advice on managing your team, planning team meetings, dealing with conflict situations and mentoring new team members, take a look at Silver Guide 13: Managing Your Team.

### 3. Establishing a Business Management Committee

Establishing a Business Management Committee (sometimes known as a Supervisory Team) is a vital part of making sure that your business is run fairly and transparently. A Business Management Committee provides an additional level of governance (management) above and beyond the student business team. They will be responsible for overseeing the overall running of the business, by holding regular Committee meetings to help spot and resolve any major issues or concerns the business might be facing.



As part of the **requirements to receive your Silver Award**, you must demonstrate in your Silver Annual Report how you formed your Business Management Committee, who the members are, what meetings they held and how they were involved in deciding how the business profits would be spent.

Your Business Management Committee should be **gender-balanced** and formed of:

- A few **students** from the business team
- At least, 1-2 **teachers**
- Your **School Principal** (or, if that's not possible, at least one other member of **senior staff**)
- At least, 1-2 **parents**

It's a good idea to make sure your Business Management Committee members have a **wide range of experience** in **different areas of expertise**. For the student members, you could include team members from different departments of the business. For the teachers and parents, you could look for individuals who might own businesses themselves.

Make sure to be democratic when selecting who will be in your Business Management Committee. We recommend following the same steps as when you picked the roles of your student business team members:

- I. **Make sure you distribute the roles fairly, making the best use of your students' skills.** Look back at the Resource Assessment you completed in Step 1 to see which students you identified with particular skills that may be useful for the Business Management Committee. You may wish to hold a class vote to assign roles. If there is a lot of interest, students and teachers could 'pitch' why they would like to be involved in the Committee and what value they could add, and then the student business team could vote for their favourite!
- II. **To help your team to develop their skills** students should be assigned **specialised roles in clearly defined sub-teams** or 'departments' to help them develop strong business skills in that area. It is also good practice to *rotate students around the departments* a couple of times a year, so that they have the opportunity to develop different skills. Remember that the members of the Business Management Committee should also rotate after a certain period of time, so all the business team students have the chance to sit on the Committee.



Remember to make sure your decision making is fair and that you review the Business Management Committee members and rotate responsibilities after a fixed length of time (e.g. 6 months) to give other individuals the opportunity to benefit from being involved.

Once your Business Management Committee has been formed, they should arrange **regular, planned meetings at least once every 2 months**. If the Committee are able to meet as often as once per month, that's even better!

Before each meeting, an **agenda** should be prepared. You could invite all members of the business team to contribute to the agenda and suggest important topics that they think should be raised. At a minimum, it is essential for the Committee to review the **financial state of the business** at each meeting.

After each meeting, you should circulate the **meeting minutes and list of actions to be completed before the next meeting**. If the school Principal is not part of the Business Management Committee, then one or two members of the Committee should **present the meeting minutes to the Principal at least once per month**, as it's important that he/she is still involved in overseeing the business.

Use a simple table such as this to keep track of how many meetings the Committee has held and when; who attended; what main topics were discussed; and whether or not the meeting minutes have been shared with the Principal.

| Date                                   | Number of attendees | Main subject(s) discussed   | Signed off by Principal?<br>(Yes/No) |
|--|---------------------|---|--------------------------------------|
| <i>E.g. 20<sup>th</sup> April 2018</i> | <i>7</i>            | <ol style="list-style-type: none"> <li><i>1. Sales kick off</i></li> <li><i>2. Staff rota and responsibilities</i></li> <li><i>3. Finances &amp; Record keeping: agreeing on processes and cash management</i></li> </ol> | <i>Yes. Initials: CG</i>             |
|  |                     |   |                                      |
|  |                     |   |                                      |
|  |                     |   |                                      |



This is an opportunity to collect evidence and information that will help you complete Questions 3 and 4 in **'Section C: Management & Use of Profits'** on your **SILVER Annual Report Template**.

#### 4. Problem Solving

Successful problem solving is essential for growing your business. If you come across a problem which is negatively impacting your business, follow these 5 simple steps to help you solve it!

- **Step 1: Identify the problem.** It could be anything from low sales income to a bottleneck in your supply chain.
- **Step 2: Discuss the possible solutions together as a group.** Follow the same good practice that you did when brainstorming business ideas: be open to everyone's suggestions and try to think 'outside the box'. Sometimes the best solutions are not the most obvious ones! If the problem is having a significant negative impact on your business, you could add it to the agenda to be discussed at the next Business Management Committee meeting.
- **Step 3: Agree on the best solution.** The best solution may be easy to agree on. Or, you may like to consult an expert or another local business to help you find the best way forward.
- **Step 4: Implement the solution by making the change(s) to how you run your business.**
- **Step 5: Review your progress,** for example in your team meetings. You may have to try out a few different actions until you find the best solution for your problem.



If you have access to YouTube, search 'Action Planning and Problem Solving for School Businesses' or [click here](#) to watch our video on how the students at Mengo Senior School, Uganda came up with their action plan and found solutions to problems they faced along the way!

**Well done!** You have worked on your operations processes, staff rotas, establishing a Business Management Committee and problem solving. In the next guide, you will be looking at marketing your business!