

# Unit 33: Small Business Enterprise

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# Learning Outcome 1

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- LO1 Be able to investigate the performance of a selected small business enterprise
  - AC 1.1 produce a profile of a selected small business a identifying its strengths and weaknesses
  - AC 1.2 carry out an analysis of the business using comparative measures of performance

# In this Session

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- LO1 Be able to investigate the performance of a selected small business enterprise
- AC 1.1 produce a profile of a selected small business a identifying its strengths and weaknesses
  - Importance of a business profile
  - Components of the business profile
  - Writing a business profile
- Review Questions
- References

# Introduction

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- A business profile is like a résumé for your company. It lists basic company details and gives you a chance to highlight your strengths. Just like a résumé, you should write each business profile with a purpose in mind. Use it as an opportunity to briefly state why potential clients should work with you, but give thorough and precise details (wikehow.com, 2016).
- Developing a proper business profile is therefore an important tool for small businesses if they are to take advantage of the opportunities that exist for the company.

# A Business Profile

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- A business profile is essential for companies of all sizes and provides information to customers about the business. It also seeks to: –
  - seek out investors or potential employees
  - provide general information to the media.
  - give financial and factual information
  - add some personality and establish the tone and style of the company

# What is a Small Business?

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- A business profile is your first point of contact with prospective clients.
  - A marketing document designed to catch the attention of and inform potential purchasers about your goods or services.
  - Must be more than just an advertisement; it must provide a convincing argument of why a potential purchaser should deal with your business.

# A Business Profile:

- A succinct, honest and accurate statement of:

- 
- who you are
  - what you provide
  - how you are structured and governed
  - your principle policies and procedures
  - your trading history
  - financial viability

- Go to [http://www.lcri.net/pdf\\_files/BUSINESS\\_PROFILE\\_example.pdf](http://www.lcri.net/pdf_files/BUSINESS_PROFILE_example.pdf) for an example of a business profile.

# Aim of Business Profile

- The aim of your business profile is to influence the purchaser's decision by demonstrating your credibility and convincing potential customers that you can offer:
  - certainty of supply
  - quality
  - value for money
  - minimal risk.



# Case Study

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- You have submitted an offer to a prospective customer. Before that, he had only met with you, seen your brochure or found your address. He is now perusing your offer and may still have doubts about giving you his business. How came Business Profile assist in convincing your client?

# Aim of Business Profile

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- The impression that a prospective customer gets about your business is strongly influenced by how you have met his expectations.
- Not meeting the expectations of a prospective customer causes disappointment.
- Meeting his expectations, however, is not enough. You will only score when you exceed them.

# Content of Business Profile

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- **Content:** should include or contain introduction, company data, structure and infrastructure.
  - Clearly and professionally present your products, capacity, equipment, quality policy, experience, financial statements, short and long term plans and good references.
  - Present your company using a mission statement

# Company Particular

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- Trading name
- Company logo
- What the business supplies
- **Parent company (if relevant)**
- Names of principals
- Contact details:
  - postal address
  - street (physical)
  - Phone, fax, email
- Web page.
- Number of employees
- **Staff turnover rate (if this is an advantage)**
- Professional memberships
- **Industry accreditations held (with copies of relevant documentation)**
- **Registrations and licences held (especially if you hold any specialised certifications)**

# Financial viability

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- How long in existence
- Average annual turnover or annual growth
- Copy of last years' financials (or auditor's statement of financial viability)
- If you are a new business, find a way to demonstrate viability (for example, if you hold 90% equity in the business and have a low overdraft)

# Financial Viability con't

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- Bank contact details
  - clients may have their bank talk to your bank, so it is wise to contact your bank manager in advance. You may also need to sign a consent form for the release of information
- Contact details for your accountant
  - after notifying your accountant
- Ability to carry a debtor for a specified period of time
  - for example, 60 days
- Any other information deemed appropriate and advantageous.

# Capabilities and capacities

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- Specific products or services provided
- Equipment owned and operated
- Details of any specialist equipment or trades
- Staff qualifications (include apprentices)
- Track record (demonstrate your ability to meet contracts up to a certain value)
- Highlight specialist skills and experience (for example, expertise in remote locations or difficult conditions).

# Trading History

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- Previous contracts held, including any government or major contracts
- Significant achievements in servicing these contracts
- (for example, completed under budget)
- Testimonials
- Details of any preferred supplier status
- Industry awards received.



# Other Significant Areas

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- **Corporate Governance:** The aim is to assure potential purchasers that you have policies and procedures in place to meet your legislative requirements and thus provide a quality, low risk job.
- **Quality Management:** Documented processes (for example, checklists), Trade/professional accreditations; Processes that must be practised in the workplace.
- **Occupational Health and Safety:** Your business is Occupational Health and Safety aware, trained and compliant

# Layout and production

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- Quality (professional appearance)
- Attract the reader's attention
- Provides all key information
- Accurate and honest
- Well written and logical
- Spelling and grammar (have it proof read several times)
- Print sufficient copies to be able to freely distribute.

# Layout and Production cont

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- Follow the AIDA structure step by step.
  - A-Attention: •First catch the Attention
  - I –Interest: Then generate Interest
  - D –Desire: And create Desire
  - A-Action: To get him into Action; Be informative and business like.

# Further Reading

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- <https://books.google.com.jm/books?id=8KcABAAAQBAJ&printsec=frontcover&dq=developing+a+small+business&hl=en&sa=X&ved=0ahUKEwjwxeKr3rfMAhUCkx4KHUoqB64Q6AEIMjAA#v=onepage&q=developing%20a%20small%20business&f=false>

# Review Questions

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- What are some of the items that must be included in a business profile?
- How does a business profile help an organisation to showcase its products and/or services?
- •What are some ways in which a business profile can be useful?

# References

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- Fry, Fred L., Stoner, Charles R., & Hattwick, Richard E. 2001, *Business: An Integrative Approach*, Irwin McGraw-Hill, New York
- Milone, Michael N. 1991, *Tools and Trends of the Managerial Trade*, International Correspondence Schools
- [http://www.lcri.net/pdf\\_files/BUSINESS\\_PROFILE\\_example.pdf](http://www.lcri.net/pdf_files/BUSINESS_PROFILE_example.pdf)
- Wikipediawiki.com (2016) How to Write a Business Profile retrieved from <http://www.wikihow.com/Write-a-Business-Profile>