



DEPARTMENT:
AGRICULTURE

MANAGING

your

BUSINESS

BOOK EIGHT

Managing your **BUSINESS**

CONTENTS

1. Outcomes
2. Introduction
3. The role of the manager
 - 3.1 Self-management
 - 3.2 Mission statement
4. Leadership
 - 4.1 The art of decision-making
 - 4.2 Entrepreneurial management
5. Employees
 - 5.1 The right person for the right job
 - 5.2 The structure of the organisation
 - 5.3 Communication
 - 5.4 Motivation
6. Grow, grow, grow!
7. Conclusion
8. Assessment
9. Bibliography

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BOOK EIGHT

Outcomes

1

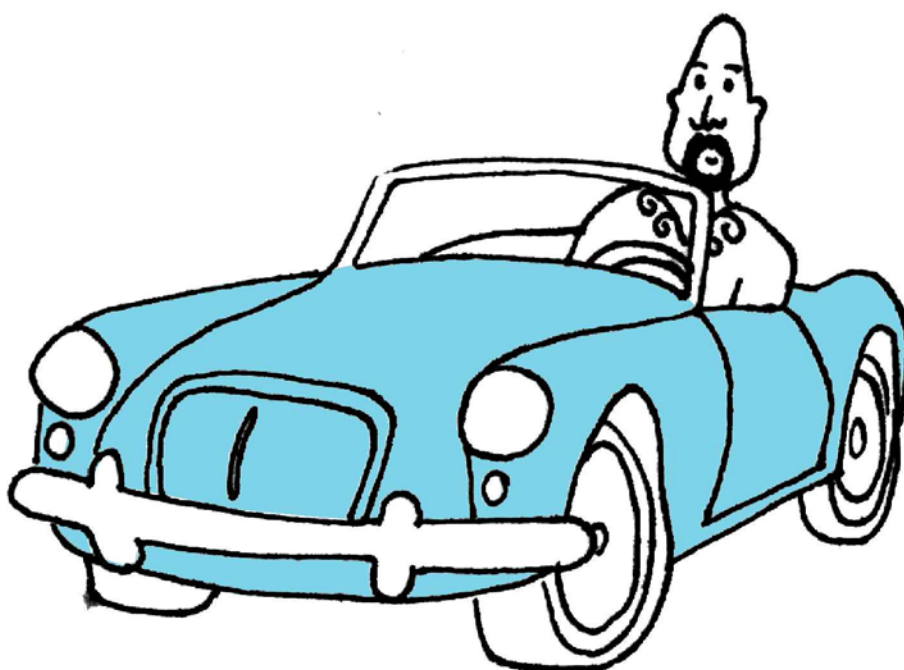
In *Managing your business* you will learn how to:

- ✓ Manage yourself
- ✓ Write a mission statement
- ✓ Be an outstanding leader
- ✓ Make difficult decisions
- ✓ Find the right employee for the right job
- ✓ Develop the structure of your organisation
- ✓ Use language as a tool
- ✓ Motivate staff
- ✓ Expand your business

Introduction

This booklet will focus on the philosophy of management while Book 3 (The Role of the Manager) focuses more on the actions of the manager.

Bongani sets up his own agricultural co-operative. As an entrepreneurial manager, he soon realises that running a business is much like driving a car. You are in charge of the whole vehicle and you need to know and appreciate the importance of each part of the car. For instance, you will get nowhere without wheels, a steering wheel or brakes. In this book, Bongani will learn how to effectively run and manage his business.



The Role of the Manager

3

The role, various types of managers and the structure of the cooperative have already been described in detail in Book 3. Bongani needs to learn how to manage himself before he can try to manage other employees.

3.1 Self-management

Bongani needs to honestly answer some questions to himself:

- ◆ Why do I spend so much time and energy on this business?
- ◆ What are my strengths and capabilities?
- ◆ What are my weaknesses and threats?
- ◆ What can I do to improve myself?

It is important to realise that the success of a business is determined by:

- ◆ Hard work
- ◆ Devotion (focus)
- ◆ Managerial capabilities
- ◆ Entrepreneurial skills and
- ◆ Luck.



There is a saying: "Work smarter, not harder". Bongani has to manage his time efficiently. He needs to plan his day and work out a schedule to complete the necessary tasks. He has to determine when certain things need to be finished and how long it takes to complete them. For example: He cannot open the store if the products are not priced or packed neatly on the shelves.

All these tasks must be arranged and done according to their order of importance (priority), starting from the most important and ending with the least important action.

3.2 Mission Statement

A mission statement is the road map for your business and goes hand in hand with your business plan (Book 7). When driving a car you need to know where you're going and what the shortest and best route is to get there.

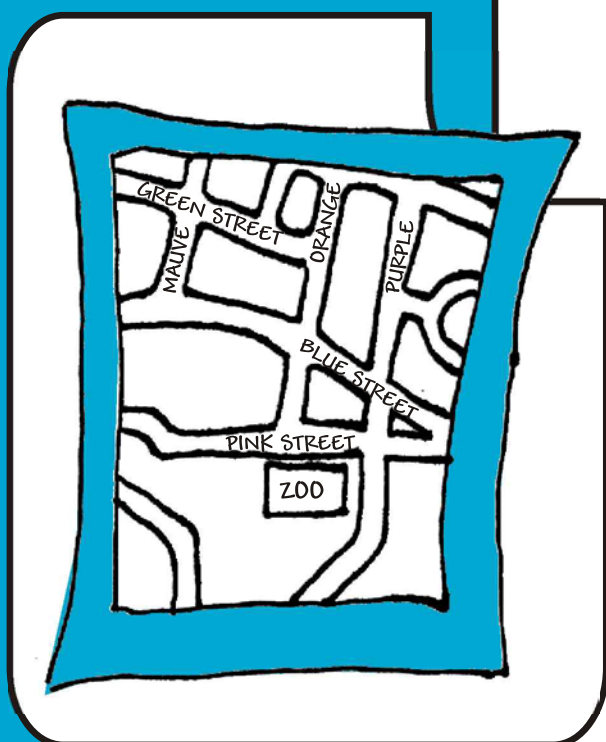
To maintain his focus and motivation, Bongani should write a mission statement and put it where he can see it every day (like a poster on his wall). A mission statement doesn't have to be complicated!

Answer the following questions:

- (i) What are the values and beliefs of my company?
- (ii) What are my products or services?
- (iii) Who are my customers?
- (iv) How am I going to satisfy the needs of my customers?

The answers to these questions form the essence of your mission statement.

Write your own mission statement. Try to display it where you and your employees can see it every day. This will help to motivate and inspire you.



The Role of the Manager... continued

Leadership

4

Leadership is more than just power or authority. To be a natural leader means that you are able to make the right decisions at the right time. You have the ability to "predict" the outcome of a certain situation. It is also the ability to "read" people and the market.

Most people will naturally look up to leaders and follow their lead. Remember: to be a *manager* does not necessarily make you a *leader*. It is an ability you are either born with or a skill you need to develop.

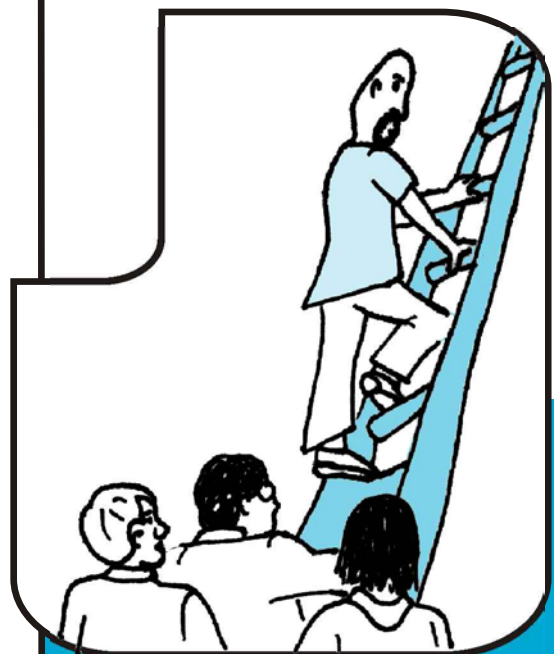
A successful leader (manager):

- Assigns and co-ordinates (not enforce) actions
- Communicates effectively
- Plans and prioritises functions and activities
- Thinks analytical (not emotional)
- Makes difficult decisions
- Assumes various roles
- Is responsible and hard working
- Takes calculated risks.

4.1 The Art Of Decision-making

An important role of the manager is to make the right decision at the right time.

If a particular decision needs to be made often (for instance the purchasing of new stock), Bongani can develop a definite procedure to make these "**programmed**" **decisions** easier. Later on, he can even ask another employee to take over the responsibility of these "programmed" decisions.



4

This kind of decision is necessary for the business to run smoothly but does not determine the expansion or collapsing of a business.

Situations that do not happen frequently require managers to make difficult decisions, sometimes in a very short time. When making these **"unexpected" decisions**, Bongani needs to:

- ◆ Determine the various possibilities
- ◆ Look at each possibility: what will the outcomes be?
- ◆ What is the best option for the business?
- ◆ What are the consequences?

Let us look at the example of driving the car again: "Programmed" decisions will be:

- ◆ When to change gears
- ◆ When to indicate you're going to turn left or right.

"Unexpected" decisions will be

- ◆ Where do I need to turn?
- ◆ Do I have to change lanes now?



Remember that we all make the wrong decisions sometimes. Don't let that get you down. Try your best and learn from past experience.

Leadership

... continued

4.2 Entrepreneurial Management

An entrepreneurial manager is someone who can "predict" the future. They rely on their instincts and intuition. They usually make decisions according to their "gut-feel" about something or someone.

Are you an entrepreneurial manager? Answer these questions:

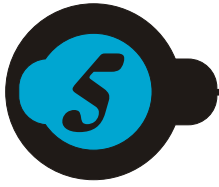
- ? Do you have trouble "switching-off" at night?
- ? Do you have trouble relaxing during holidays?
- ? Are you constantly thinking about new ideas?
- ? Are you striving towards perfection?
- ? Do you know yourself well?
- ? Do you take responsibility for all your actions?
- ? Are you willing to walk the extra mile?
- ? Are you committed?
- ? Do you sometimes feel you can "predict" the outcomes of a situation?

If you answered "yes" to five or more of these questions, you might be an entrepreneurial manager!



Leadership

... continued



Employees

When Bongani's business expands, he needs to decide if he is going to employ other staff members.

Hiring employees is a major step in any business. Make sure that you are financially stable to be responsible for someone else's salary. When Bongani was working alone, he could base his salary on the earnings for that particular month. Employees will, however, expect a regular income.

Picking the right employee is a lot like purchasing a new car. It should satisfy your needs, suit your pocket, be safe, run smoothly and most of all, you should like it!



5.1 Finding The Right Person For The Right Job

Bongani places an ad in the newspaper or puts a poster in his store window to let people know that he has a position available. He then has interviews with all the possible candidates.

Keep the following in mind when you are interviewing possible candidates to fill the position:

- Know what you are looking for
- How well did the applicant answer your questions?
- What is the previous work experience of this applicant?
- Does the applicant know your business?
- Does the applicant look motivated and committed?
- Did the applicant ask questions about your company to show an interest in the company?
- Is the person trained to do the job or willing to learn?
- Don't let physical appearance influence your judgement; look beyond the outer looks and clothing style; concentrate on abilities and experience
- Does the person "fit" into the team?

Don't decide quickly. Go home, rethink each applicant and don't feel pressurised to fill the position RIGHT NOW. It is more important to find the right person.

Choose your employees wisely. Remember the people you choose to work with will have a direct impact on the success of your business and quality of life!



5.2 The Structure Of The Organisation

Bongani needs to organise his business. When it is only Bongani and perhaps one or two other employees, the structure of the organisation is very informal and simple. Everyone lends a hand to do whatever needs to be done to let the business run smoothly.

As his cooperative expands, so will the structure (also see Book 3). The business will consist mainly of the following departments:

- Management
- Finances and accounting
- Production
- Administration
- Sales and marketing

Make sure that everybody knows where they belong and to whom they should report. At least one person of each of the various departments must be appointed as co-ordinator of the functions of that department and must act as representative of that department during meetings.

5.3 Communication

Language should be used as a tool to communicate your ideas and vision of your business. Effective communication helps the business to run effectively.

The aim of communication is to **inform** (meetings and decisions), **remind** (tasks and responsibilities), and to **motivate**.

Communication consists of a **speaker**, a **message**, and a **receiver**.

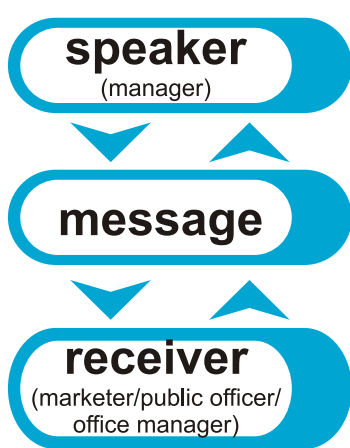
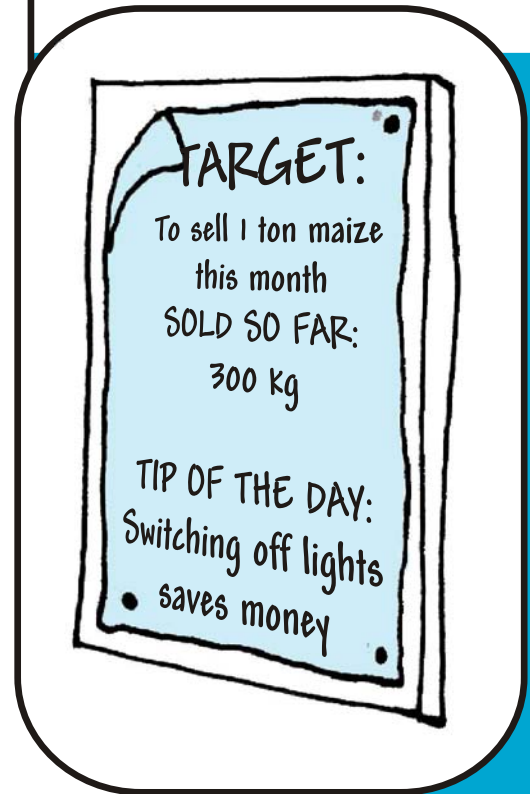
speaker

message

receiver

Make sure that your receiver understands the message and that he interprets the message correctly. Bongani can make use of notice boards and memos to inform his employees of decisions that have been made, about the growth of the business and motivational sayings or a "tip-of-the-day".

Communication can be done **horizontally** (between employees on the same level) or **vertically** (between managers and employees).



vertical communication



horizontal communication



5.4 Motivation

"A happy worker is a good worker". If an employee is kept motivated, he will be loyal and hard working.

- ◉ Take time to talk and listen to your employees
- ◉ Remind employees of their individual importance to your business
- ◉ Recognise and appreciate their strengths, capabilities and contributions; do this either personally or in a meeting
- ◉ Try to improve their weaknesses and to help them whenever they have a problem
- ◉ Give employees a chance to contribute to the decision-making process; and congratulate them on creative inputs
- ◉ Give them job security.

Reward employees for hard work by salary increases and bonuses.

A manager also needs to maintain discipline in his business. When you determine the level of punishment (e.g. firing, oral warning or written warning) consider the following:

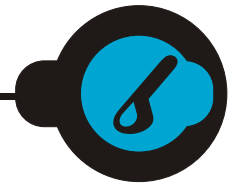
- (i) Have equipment or products been damaged by the action?
- (ii) Has the workflow been disrupted?
- (iii) Has the behaviour violated the law?
- (iv) Can you change the behaviour?
- (v) Has the action/behaviour damaged the organisation's image, customer relations or position?

Develop a company slogan which will encourage you and your employees and to remind them of the reason you are doing business. For example:

"Only your best is good enough"
"Strive for excellence"



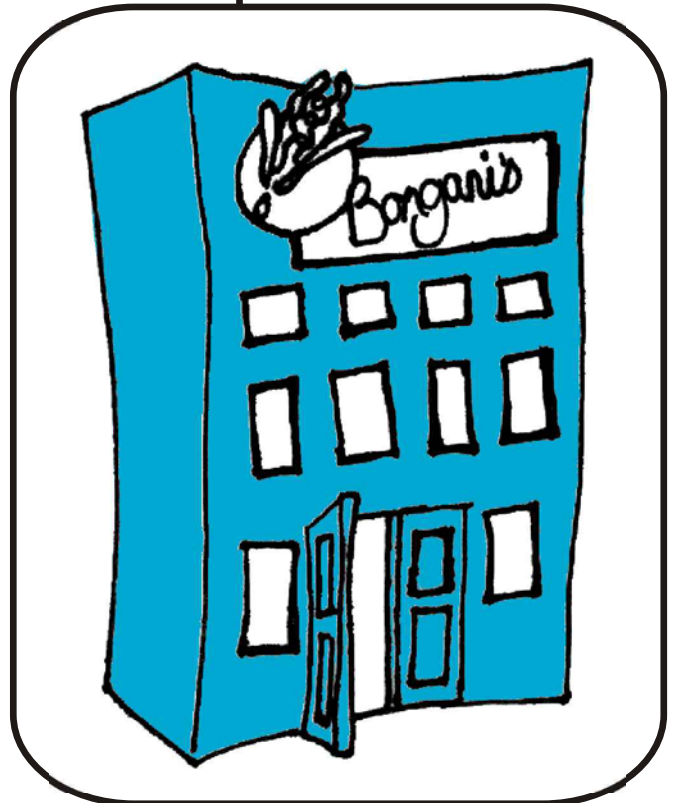
grow, Grow, GROW!



The success of your business will depend mainly on you, the manager. Try to improve yourself and constantly set new goals for yourself and your business.

Keep the competitive edge in the market. This means having to look at what your competitors are doing and always try to improve your customer service and products.

Sit down and think about how big you want your business to become in the next year, the next 3 years and the next 5 years. What do you have to do to accomplish that goal? Ask your friends and colleagues what they think are your strengths and weaknesses.



Conclusion



The challenge is to be honest with yourself about what you want your business to become and where you want to go. Being a manager can be one of the most rewarding, but also most challenging experiences in your life. Learn from your mistakes. Look ahead and hang on to your dream. Good luck!



Assessment

1. What are your own strengths, weaknesses, opportunities and threats?
2. Create a mission statement for your company.
3. How will you recognise a successful leader?
4. What is the difference between "unexpected" and "programmed" decisions?
5. Develop the organisation structure of your company.
6. If one of your employees should shout rude remarks to a customer, would you:
 - Fire him; or
 - Give him a warning?
7. If you could appoint employees who have the strengths and capabilities you need, what would they be like and what would they do? What would you do together?

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