CHAPTER 11: COORDINATING BUSINESS DEVELOPMENT/ COORDINATE BUSINESS DEVELOPMENT

11.1. Introduction of the Unit of Learning / Unit of Competency

The trainee should be able to develop a business development strategy in accordance with company policies and procedures, and strategic plans, document and computerize business strategy in accordance to ICT policy, identify potential business opportunities and tracking emerging markets in accordance to Strengths, Weaknesses, Opportunities and Threats (SWOT) and Political, Economic, Social-cultural, Technological Legal and environmental (PESTLE), branding the company in accordance to company policy and procedures, maintain customer relations management in accordance to CRM procedures, monitor sales turnovers, manage new strategic partnerships and benchmarking in the industry.

Coordinating business development is a core unit in business management. It entails tasks and processes to develop and implement growth opportunities within and between organizations. Business development creates a long-term value for an organization from customers, markets, and relationships. It enables the trainees to acquire knowledge and skills required in implementation of business opportunity policies and procedures and also in conducting survey and preparing business development plan. It familiarizes the trainee to the business operating environment that is PESTEL analysis and methodologies of conducting SWOT analysis for a business. It equips the trainee with the current technological trends in the competitive business environment. The trainees require laptop, internet and format templates.

11.2. Performance Standard

The trainee should be able to develop a business development strategy in accordance with company policies and procedures, and strategic plans, document and computerize business strategy in accordance to ICT policy, identify potential business opportunities and trade emerging markets in accordance to SWOT analysis and PESTEL frameworks, branding the company in accordance to company policy and procedures, maintain customer relations management in accordance to CRM procedures and monitor sales turnovers.

11.3. Learning Outcomes

11.3.1. List of Learning Outcomes

a) Develop business development strategy
b) Identify potential business opportunities and track emerging markets
c) Develop company presence and brands strategies
d) Maintain Customer Relations management (CRM) System
e) Monitor sales turnover
f) Manage new strategic partnerships
g) Benchmark industry players
h) Document and computerize business strategy

11.3.2. Learning OutcomeLO1. Develop Business Development Strategy

11.3.2.1. Learning Activities

Learning Outcome LO1. Develop Business Development Strategy	
Learning Activities	Special Instructions
• Visit an organization or institution nearby and come up with a strategy you would like to implement	For proper analysis of business strategy the trainees should visit any nearby organization and identify a strategy they would wish to implement

11.3.2.2. Information Sheet No. 11/LO1

Introduction

Business development strategy relates to all round development of a particular business which makes it enriching and fruitful. It is a mixture of commerce, business and organizational behavior theories. Business development deals with the establishment of long term value factor for an organization from the point of view of markets, customers and their interrelationships. The process of business development is all about identifying the interconnected networks which will create new opportunities for growth.

- Business development strategy has a wide application from IT professionals, engineers, marketing management to prospective clients.
- Business development identifies and creates new partnerships avenues that help indirectly to drive revenue. The main goals of business development strategies include: market expansion, brand projection, new client acquisition, general awareness of the brand etc

Definition of Key terms

Business development strategy- This refers to a plan for achieving organizational goals. (William J. (2005). It is a combination of numerous individual tasks which has a goal of implementing and developing growth opportunities either within the organization or between two or more organizations.

Inbound business development strategies: It refers to the process of attracting the attention of prospects via content creation, before they are even ready to buy. It is one of the best most cost effective ways to convert strangers into customers and promoters of your business e.g use of social media and internet.

Outbound business development strategy: This refers to a way of trying to reach customers through general media advertising and inform contact. The approach can be extremely broad i.e TV advertising, through personal (face to face meetings or cold calling / telemarketing and emails. Direct mails (brochures, websites, blogging, social media, branded, marketing (newsletters).

Content

Business development strategy procedure

The following procedure should be followed so as to come up with a good business development strategy;

1. Obtaining current business data
2. Developing business strategies
3. Gather the facts
4. Develop vision statement
5. Develop mission statement
6. Identify strategic objectives
7. Tactical plans
8. Performance management

1. Obtaining current business data.

Business idea can be obtained from current business trends according to company policies and procedures e.g. customer data can be collected by directly asking customers, by indirectly tracking customers and by appending other sources of customer data to your own.

2. Developing business strategies

(a) Business strategies

A business strategy is a set of competitive moves and actions that business uses to attract customers, compete successfully, strengthening performance, and achieve organizational goals. It outlines how business should be carried out to reach the desired ends.

Figure 39: Levels of Business Strategy

(b) Corporate level strategy: Corporate level strategy is long-range, action-oriented, integrated and comprehensive plan **formulated by the top management**. It is used to ascertain business lines, expansion and growth, takeovers and mergers, diversification, integration, new areas for investment and divestment and so forth.

(c) **Business level strategy**: The strategies that relate to a particular business are known as business level strategies. It is **developed by the general managers**, who convert mission and vision into concrete strategies. It is like a blueprint of the entire business.

(d) **Functional level strategy**: **Developed by the first line managers or supervisors**, functional level strategy involves decision making at the operational level concerning particular functional areas like marketing, production, human resource, research and development, finance and so on.

Four Generic Strategies That Strategic Business Units Use

Figure 40: Integrated Cost Leadership/ Differentiation

(e) **Cost Leadership strategy**
A cost leadership strategy works if the company can produce its products at the lowest cost in the industry. This strategy is commonly used in markets with products that are not distinctly different from each other.

(f) **Differentiation Strategy**
A differentiation strategy requires the company to offer products with unique characteristics that consumers believe have value and are willing to pay more for them. If consumers perceive that these unique properties are worthwhile, the company can charge premium prices for its products.

(g) Cost Focus strategy

A cost focus strategy centers on a limited market segment or a particular niche. It requires the company to understand the idiosyncrasies of that market and the unique needs of those specific customers.

(h) Differentiation Focus

Like a cost focus strategy, the differentiation focus approach aims for a narrow niche market. In this case, the company finds unique features of its products that appeal to a particular group of customers.

3. Gather the facts

To know where you're heading, you have to know where you are right now. So before you start looking ahead, you should review the past performance, or the current situation. Look at each area of the business and determine what worked well, what could have been better and what opportunities lie ahead.

There are many tools and techniques available to help with this process, such as SWOT (Strength, Weakness, Opportunities and Threats) analysis.

4. Develop a vision statement

This statement should describe the future direction of the business and its aims in the medium to long term. It's about describing the organization's purpose and values.For example,Microsoft's visionis "to empower people through great software, any time, any place, or any device."Wal-Mart's vision is to become worldwide leader in retailing. A vision is the potential to view things ahead of themselves. It answers the question, "Where we want to be". It gives us a reminder about what we attempt to develop. A vision statement is for the organization and its members, unlike the mission statement which is for the customers/clients. It contributes in effective decision making as well as effective business planning. It incorporates a shared understanding about the nature and aim of the organization and utilizes this understanding to direct and guide the organization towards a better purpose. It describes that on achieving the mission, how the organizational future would appear to be.

An effective vision statement must have following features-

a.It must be unambiguous.

b.It must be clear.

c.It must harmonize with organization's culture and values.

d.The dreams and aspirations must be rational/realistic.

e.Vision statements should be shorter so that they are easier to memorize

5. Develop a mission statement

This defines the organization's purpose, but it also outlines its primary objectives. This focuses on what needs to be done in the short term to realize the long term vision.

Mission statement has three main components-a statement of mission or vision of the company, a statement of the core values that shape the acts and behavior of the employees, and a statement of the goals and objectives.

Features of a Mission

a. Mission must be feasible and attainable. It should be possible to achieve it.

b. Mission should be clear enough so that any action can be taken.

c. It should be inspiring for the management, staff and society at large.

d. It should be precise enough, i.e., it should be neither too broad nor too narrow.

e. It should be unique and distinctive to leave an impact in everyone's mind.

f. It should be analytical, i.e., it should analyze the key components of the strategy.

g. It should be credible, i.e., all stakeholders should be able to believe it

6. Identify strategic objectives

At this stage, the aim is to develop a set of high-level objectives for all areas of the business. They need to highlight the priorities and inform the plans that will ensure delivery of the company's vision and mission.

Crucially, your objectives must be SMART (Specific, Measurable, Achievable, Realistic and Time-related).

That is:

Specific: clear about what, where, when, and how the situation will be changed;

Measurable: able to quantify the targets and benefits;

Achievable: able to attain the objectives (knowing the resources and capacities at the disposal of the community);

Realistic: able to obtain the level of change reflected in the objective; and

Time bound: stating the time period in which they will each be accomplished.

Developing business strategic objectives

Strategic objectives are long-term and should be aligned with your organization mission and vision e.g.

i. Financial strategic objectives i.e. expand sales to existing customers
ii. Increase customer retention, develop a customer database, introduce existing products to new market, introduce new product to new and existing market expand sales to global market place etc.
iii. Internal /operational strategic objectives e.g. to have products that meet standards of excellence increase community outreach. Improve internal communication, execute and maintain a CRM process, improve distribution or supplier relationship etc.
iv. People strategic objectives e.g. employ professional who create success for customers, develop leadership abilities, align incentives and staff rewards with performances etc.

7. Tactical Plans

Translate the strategic objectives into more detailed short-term plans. These plans will contain actions for departments and functions in your organization. You may even want to include suppliers.

8. Performance Management

All the planning and hard work may have been done, but it's vital to continually review all objectives and action plans to make sure you're still on track to achieve that overall goal. Managing and monitoring a whole strategy is a complex task, which is why many directors, managers and business leaders are looking to alternative methods of handling strategies. Creating, managing and reviewing a strategy requires you to capture the relevant information, break down large chunks of information, plan, prioritize, capture the relevant information and have a clear strategic vision.

Developing in bound and out bound business development strategies

Inbound strategies include: Use of social media and Internet

Outbound strategies include: telemarketing, cold calling, website, branded marketing (newsletter)

Modern technology has enabled the creation of a myriad of new communication tools, sites and software. Moreover, improvements and additions are constantly being made to existing devices to maintain the highest quality of communication possible. The modern communication technologies include:

Skype

It is downloaded software that enables users to make free phone calls an send messages via the internet. The service also offers video phone calling allowing users to watch each other in real as they speak. Both businesses and private individuals have benefited from the convenience and immediacy of Skype's communication tools.

Email

Many cell phone services offer access to email with the capability of sending and receiving messages from the devices themselves. This technology is helpful for those who must stay in constant communication with family members, co-workers, without being bound to large computers or laptops.

Other modern communication technologies are instant messaging, twitter, cellular phones, LinkedIn etc.

If a large company wants to tap on good talent in order to develop new technology, then it will take over a small firm for its talent as opposed to its business assets.

A company may want to identify and develop a new target market e.g. a movie theatre can begin renting its facilities for private parties on slow nights.

A company that want to identify and develop new sources of opportunities e.g. a software sales team that currently sells to large firms begins to target mid-sized firms

A company can change its operating model by building its own factories if it previously outsourced manufacturing or also develop its own infrastructure by extending a telecommunication network into a new region.

Conclusion

Business development strategy relates to all round development of a particular business which makes it enriching and fruitful. Therefore process of business development is all about identifying the interconnected networks which will create new opportunities for growth.

The trainee should be able to discuss different types of business strategies and also discuss types of inbound and outbound business development strategies. The trainee should also be able to list down some of the current modern technologies.

11.3.2.3. Self-Assessment

1. A marketing strategy consists of two interrelated parts. These are:
    a) Selection of a target market and implementing the plan.
    b) Selection of a target market and development of a marketing mix.
    c) Selection and development of a marketing mix.
    d) Finding attractive opportunities and developing a marketing mix.
    e) Finding attractive opportunities and selecting a target market.
2. Marketing strategy planners should recognize that:
    a) Target markets should not be large and spread out.
    b) Mass marketing is often very effective and desirable.

c) Firms like General Electric, Sears, and Procter & Gamble are too large to aim at clearly defined markets.
d) Target marketing is not limited to small market segments.
e) The terms "mass marketing" and "mass marketers" mean essentially the same thing.

3. A marketing mix consists of:
    a) Policies, procedures, plans, and personnel.
    b) The customer and the "four Ps."
    c) All variables, controllable and uncontrollable.
    d) Product, price, promotion, and place.
    e) None of the above.
4. Identify various business strategies
5. Using examples explain the difference between inbound and outbound business development strategies
6. Identify inbound and outbound business developed strategies used in an organization of your own choice and explain its mission and vision.
7. Develop a business strategy for your upcoming business

11.3.2.4. Tools, Equipment, Supplies and Materials

- Computer
- Stationery
- Digital devices
- Printers
- Projector
- Internet connectivity

11.3.2.5. References

1. Stevenson William J. (2005) Operations Management, McGraw Hill, New York
2. **Woodruff James (2018). Four Generic Strategies that strategic business use. University of Minessota**

Further reading

3. http://www.businessdictionary.com/
4. https://www.business2community.com/strategy

11.3.3. Learning Outcome LO2. Identify Potential Business Opportunities and Track Emerging Markets

11.3.3.1. Learning Activities

Learning Outcome LO2. Identify Potential Business Opportunities and Track Emerging Markets	
Learning Activities	Special Instructions
• Use SWOT analysis matrix to determine and compare the internal strengths and weaknesses of any organization or institution near your institution and analyze the opportunities for it and threats to it within the market. Use the information to inform your strategy. • In a group of five the trainees should brainstorm each PESTLE factor in turn. Then list anything that could affect their organization of choice in future and narrow the list to the main factors than need to be considered when developing new strategy.	• The trainees should use SWOT analysis to determine and compare the internal strengths and weaknesses of any organization • The trainees should form a group of five and brainstorm each PESTLE factor in turn and then list anything that could affect their organization of choice in future and narrow the list to the main factors that need to be considered when developing new strategy.

11.3.3.2. Information Sheet No. 11/LO2

Introduction

Analyzing the environment in which you operate is the first step to creating a strategy. There are a number of analysis tools that can help you access your chosen market and also the world in which you do your business e.g. to be a successful car dealer you must buy the right cars at the right prices. The analysis tools include; the SWOT analysis matrix and different PESTLE factors that affect an organization.

Definition of Key terms

SWOT Analysis

It is a study undertaken by an organization to identify its internal strength and weakness as well as its external opportunities and threats.

PESTLE- Political, Economic ‘Socio cultural, legal and Environmental

It is used for the market environment and environmental analysis and to support strategic decision making.

Market factors

It refers to any external agent that affects the demand for or the price of a good or service.

Content

SWOT Analysis

It helps one understand your organization and its market and environment by contrasting its Strengths and Weaknesses with Opportunities and Threats in the markets.

SWOT Analysis for a team within an organization

Source (Kevan, Williams 2009, Strategic Management, DK publishing, New York)

Importance of SWOT analysis

Reducing Risk
the most important part of a SWOT analysis is to improve the viability of your company. Important threats coupled with a company weakness typically put at risk your company's future, and the SWOT analysis identifies these risks. Your analysis pairs external threats with internal weaknesses to highlight the most serious issues faced by your company.

Improving Performance
the second most important part of the SWOT analysis tells you what actions you should consider to improve the performance of your business. Your analysis pairs the internal strengths with the external opportunities. Taking advantage of an opportunity from a position of strength helps ensure the success of the corresponding venture.

PESTLE Analysis

They assess macroeconomic forces that affect all markets including political and economic factors, social trends and legal factors. PESTLE analysis divides these forces into political factors, economic, social technological, legal and environmental factors. A PESTLE analysis is an early step in creating new strategy since it creates the background in which an organization has to operate and make decisions. It can be performed by an individual but it is best if a team undertake it to allow sharing of ideas and discussion on the same.

1. **Political:** These factors determine the extent to which a government may influence the economy or a certain industry. For example, a government may impose a new tax or duty due to which entire revenue generating structures of organizations might change.
2. **Economic:** These factors are determinants of an economy's performance that directly impacts a company and have resonating long term effects. Economic factors include inflation rate, interest rates, foreign exchange rates and economic growth patterns.
3. **Social:** These factors scrutinize the social environment of the market, and gauge determinants like cultural trends, demographics, population analytics etc.
4. **Technological:** These factors pertain to innovations in technology that may affect the operations of the industry and the market favorably or unfavorably. This refers to automation, research and development and the amount of technological awareness that a market possesses.
5. **Legal:** These factors have both external and internal effects. Some of the laws affect the business environment in a certain country while other policies are maintained by companies themselves. For example, consumer laws, safety standards, labor laws etc.
6. **Environmental:** These factors include all those that influence or are determined by the surrounding environment. Such factors may include: climate, weather, geographical location, global changes in climate, environmental offsets etc.

Identification of business opportunities

To be successful entrepreneurs we need to be continually innovative and working for opportunities to grow our startups. We can identify more business opportunities by:

1. Listening to our potential clients and past leads

2. Listen to our customers

3. Look at our competitors

4. Look at industry trends and insights

5. Analyze business strategies and opportunities as well as weaknesses and threats

Evaluating business opportunities

1. Market Size
One of the most important factors when evaluating a business opportunity is determining the market size.

2. Relationships
determine your relationships with potential investors or customers. When you have more relationships, the opportunity is likely to run smoother.

3. Ability to Manage Cash Flow
Look at the ability to manage cash flow. Ensure there is a start-up funding for the business. Figure out how the cash flow will be managed, and take a look at the business plan. These will ensure that the business is likely to sustain itself after a period of time.

4. Management Skillsets
define the skillsets of those involved. Be honest about what you bring to the table, and what you need to make up for. Determine whether the management have the skills and competence for the business to be successful.

5. Passion and Persistence
Even if there is a bit of a talent deficit, it's possible, in some cases, to make up for that with passion and persistence.

Conclusion

The first step to creating a strategy is to analyze the environment in which you operate. This can be done in accordance to SWOT Analysis and PESTLE factors. The learner should be able to discuss the factors to consider in identifying and tracking new markets and discuss the benefits of evaluating business opportunities. The learner should also be able to explain the SWOT analysis matrix and different PESTLE Factors that affect an organization.

11.3.3.3. Self-Assessment

1. Which of the following SWOT elements are internal factors for a business?
    a) Strengths and Weaknesses
    b) Opportunities and Threats
    c) Strengths and Opportunities
    d) Weaknesses and Threats

2. Which of the following is false regarding why a SWOT Analysis is used?
    a) To build on the strengths of a business
    b) To minimize the weaknesses of a business
    c) To reduce opportunities available to a business
    d) To counteract threats to a business

3. How often should a SWOT Analysis be performed?
    a) Only when specific issues need to be addressed
    b) At least once per year
    c) Only when the business starts
    d) Every 3-5 years

4. Which of the following could be a strength?
    a) Weather
    b) A new international market
    c) A price that is too high
    d) The location of a business

5. Identify various strengths, opportunities, weaknesses or threats that may affect a company.
6. Discuss the factors to consider in identifying and tracking new markets.
7. Explain the SWOT analysis matrix and different PESTLE Factors that affect an organization.
8. Brainstorm in a group of five trainees and explain the SWOT analysis matrix and different PESTLE factors that affects two competitive organizations.

11.3.3.4. Tools, Equipment, Supplies and Materials

- Stationery
- Internet
- Printers
- Computer
- Phones
- projector

11.3.3.5. References

1. Kevan, Williams 2009, Strategic Management, DK publishing, New York
2. https://www.businessdictionary.com/

11.3.4. Learning Outcome LO3. Develop Company Presence and Brands

11.3.4.1. Learning Activities

Learning Outcome LO3. Develop Company Presence and Brands	
Learning Activities	Special Instructions
• Prepare a business development plan in accordance with the strategy the trainee has chosen • Visit a nearby supermarket and identify the brand logos of different companies and compare them in relation to vision	• The learners should prepare a business development plan in accordance with the strategy the trainee has chosen and • Visit a nearby supermarket and identify the brand logos of different companies

11.3.4.2. Information Sheet No. 11/LO3

Introduction

A business development plan is a plan that is made by companies or start-ups to develop their business. This kind of plan can be really successful for any small, medium and big companies all around the world. Before you start off a business development plan, you first need to know the main elements and components that should be present in it, since it is a plan that will help you with the growth of not only your business but also your company's reputation and sales.

Every minute detail of the business and the areas that it can possibly be developed should be listed out in detail. This makes it easier for those in the organization to understand where the business needs to be developed. The strengths and weaknesses of the company should be carefully assessed so that you will have an idea of where to get better and where to cut down things. There should be a detailed list of how you will overcome any issues that might possibly come your way and how each employee is going to work towards it. Also, making a list of all the skills your company possesses with respect to its equipment, personnel, infrastructure, etc. Once the plan is made, fix a deadline or a time limit in which the plan should be successfully executed and then make the company work towards it. The trainees should use the below link to assess the development plan template

https://images.template.net/wp-content/uploads/2015/04/Development-Plan-Template.jpg

Definition of Key terms

Branding

A brand is a name, term, design, symbol or any other feature that identifies one sellers good or service as distinct from those of other sellers.

Business development Plan

It provides guidance to organizations in purpose, including mission, vision and values as well as products or service target audience and the strategies they will use to achieve success.

Content

Branding

Branding is the process of creating a strong positive perception of a company, its products or services in the customers mind by combining such elements as logo, design, mission statement and a consistent theme throughout all marketing communications.

Effective branding helps companies differentiate themselves from their competitors and build a loyal customer base.

A unique brand can have a huge impact on your business by giving you a competitive advantage over your rivals and helping you acquire and retain customers at a much lower cost e.g. ine-commerce where new businesses are springing up every day, an established brand can be a valuable asset in bringing customers back and generating revenue.

By constructing your brand through stories, relationships, marketing messages and visual assets, you have the opportunity of shaping your customers' expectations for your business and creating a unique bond beyond the buying and selling relationship. Brands that manage to take a step further and establish a long term emotional connection with their customers become love marks, which draw on three key elements: mystery, sensuality and intimacy.

Good branding is strategic while marketing is tactical. When you establish the objectives and clearly define your brand promise, you can craft a marketing plan that is geared towards achieving goals in an organization

A company should utilize the following key strategies so as to create a stronger brand presence:

- Focus on the target audience
- Foster a personal connection between the brand and consumer
- Cultivate a strong story and remain consistent

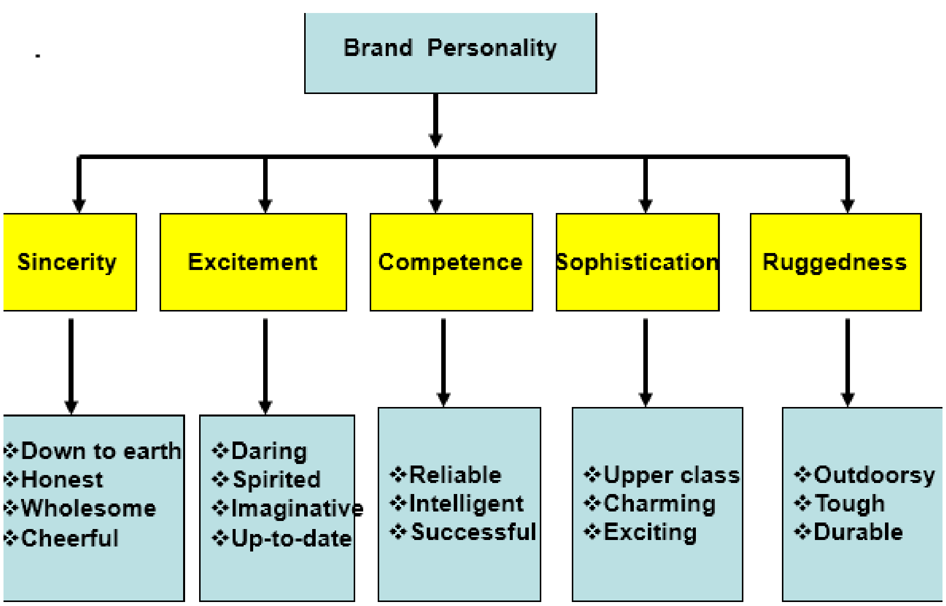

Figure 41: Brand Personality Framework. Source: Kevan, Williams 2009, Strategic Management, DK publishing, New York

The following are attributes of a brand:

1. The brand excels at delivering the benefits customers truly desire.

Customers buy products because of their attributes, brand's image, the service, and many other tangible and intangible factors e.g. Consider Starbucks. It's not just a cup of coffee. In 1983, Starbucks was a small Seattle-area coffee retailer. Then while on vacation in Italy, Howard Schultz, now Starbucks chairman, was inspired by the romance and the sense of community he felt in Italian coffee bars and coffee houses. The culture grabbed him, and he saw an opportunity. "Starbucks sold great coffee beans, but we didn't serve coffee by the cup. We treated coffee as produce, something to be bagged and sent home with the groceries. We stayed one big step away from the heart and soul of what coffee has meant throughout centuries."

And so Starbucks began to focus its efforts on building a coffee bar culture, opening coffee houses like those in Italy. The company maintained control over the coffee from the selection and procurement of the beans to their roasting and blending to their ultimate consumption. The extreme vertical integration has paid off. Starbucks locations this far have successfully delivered superior benefits to customers by appealing to all five senses, through the enticing aroma of the beans, the rich taste of the coffee, the product displays and attractive artwork adorning the walls. The company's sales and profits have each grown more than 50% annually through much of the 1990s.

2. The brand stays relevant.

In strong brands, brand equity is tied both to the actual quality of the product or service and to various intangible factors such as user imagery" (the type of person who uses the brand); "usage imagery" (the type of situations in which the brand is used); the type of personality the brand portrays (sincere, exciting, competent, rugged); the feeling that the brand tries to elicit in customers (purposeful, warm); and the type of relationship it seeks to build with its customers (committed, casual, seasonal) e.g. Gillette pours millions of dollars into Research and Development to ensure that its razor blades are as technologically advanced as possible, calling attention to major advances through sub brands (Atra, Sensor, Mach3) and signaling minor improvements with modifiers (Atra Plus, Sensor Excel). Moreover, Gillette has created a consistent, intangible sense of product superiority with its long-running ads, "The best a man can be," which are tweaked through images of men at work and at play that have evolved over time to reflect contemporary trends.

3. The pricing strategy is based on consumers' perceptions of value.

The right blend of product quality, design, features, costs, and prices is very difficult to achieve but well worth the effort. Many managers are unaware of how price can relate to what customers think of a product, and they therefore charge too little or too much e.g. in implementing its value-pricing strategy for the Cascade automatic-dishwashing detergent brand, Procter & Gamble made a cost-cutting change in its formulation that had an adverse effect on the product's performance under certain water conditions. Lever Brothers quickly countered, attacking Cascade's core equity of producing "virtually spotless" dishes out of the dishwasher. In response, Procter & Gamble immediately returned to the brand's old formulation. The lesson to Procter & Gamble and others is that value pricing should not be adopted at the expense of essential brand-building activities.

4. The brand is properly positioned.

Brands that are well positioned occupy particular niches in consumers' minds. They are similar to and different from competing brands in certain reliably identifiable ways. The most successful brands in this regard keep up with competitors by creating *points of parity* in those areas where competitors are trying to find an advantage while at the same time creating *points of difference* to achieve advantages over competitors in some other areas.

The Mercedes-Benz and Sony brands, for example, hold clear advantages in product superiority and match competitors' level of service. Calvin Klein and Harley-Davidson excel at providing compelling user and usage imagery while offering adequate or even strong performance.

5. The brand is consistent.

Maintaining a strong brand means striking the right balance between continuity in marketing activities and the kind of change needed to stay relevant. The brand's image should not be lost with marketing efforts that confuse customers by sending conflicting messages.

In the 1970s, Michelob ran ads featuring successful young professionals that confidently proclaimed, "Where you're going, it's Michelob." The company's next ad campaign trumpeted, "Weekends were made for Michelob." Later, in an attempt to bolster sagging sales, the theme was switched to "Put a little weekend in your week." In the mid-1980s, managers launched a campaign telling consumers that "The night belongs to Michelob." Then in 1994 we were told, "Some days are better than others," which went on to explain that "A special day requires a special beer." That slogan was subsequently changed to "Some days were made for Michelob."After receiving so many different messages, consumers could hardly be blamed if they had no idea when they were supposed to drink the beer. Predictably, sales suffered.

6. The brand portfolio and hierarchy make sense.

Most companies do not have only one brand; they create and maintain different brands for different market segments. Single product lines are often sold under different brand names, and different brands within a company hold different powers. The corporate, or companywide, brand acts as an umbrella. A second brand name under that umbrella might be targeted at the family market. A third brand name might nest one level below the family brand and appeal to boys, for example, or be used for one type of product.

Other brand attributes include:

a. The brand makes use of and coordinates a full report of marketing activities to build equity
b. The brand's managers understand what the brand means to consumers
c. The brand is given proper support

That support is sustained over the long run, the company monitors sources of brand equity etc.

Market survey

Market survey is the survey research and analysis of the market for a particular product/service which includes the investigation into customer inclinations. It studies on various customer capabilities such as investment attributes and buying potential.

Purpose of Market Survey

- **Gain critical customer feedback:** The main purpose of the market survey is to offer marketing and business managers a platform to obtain critical information about their consumers so that existing customers can be retained and new ones can be brought onboard.
- **Understand customer inclination towards purchasing products:** Details such as whether the customers will spend a certain amount of money for their products/services, inclination levels among customers about upcoming features or products, what are their thoughts about the competitor products etc.
- **Enhance existing products and services:** A market survey can also be implemented with the purpose of improving existing products, analyze customer satisfaction levels along with getting data about their perception of the market and build a buyer personalization using information from existing clientele database.
- **Make well-informed business decisions:** Data gathered using market surveys is instrumental in making major changes in the business which reduces the degree of risks involved in taking important business decisions.

Importance of Market Survey

1. Understanding the demand and supply chain of the target market: A product is most likely to be successful if it is developed by keeping in mind the demand and supply of the target market. This way, marketers can obtain insights about market capabilities to absorb new products and concepts to develop customer-centric products and features.

2. Developing well-thought marketing plans: The World is a target market for an organization, especially a well-established one. Getting data from the target market through thorough market research using market surveys and segmentation can be a source of creating concrete and long-term marketing plans.

3. Figure out customer expectations and needs: All marketing activities revolve around customer acquisition. All small and large organizations require market surveys to gather feedback from their target audience regularly, using customer satisfaction tools such as Net Promoter Score, Customer Effort Score, and Customer Satisfaction Score (CSAT) etc. Organizations can analyze customer feedback to measure customer experience, satisfaction, expectations etc.

4. Accurate launch of new products: Market surveys are influential in understanding where to test new products or services. Market surveys provide marketers a platform to analyze the scope of success of upcoming products and make changes in strategizing the product according to the feedback they receive.

5. Obtain information about customer demographics: Customer demographics form the core of any business and market surveys can be used to obtain intricate and sensitive details about customer demographics such as race, ethnicity or family income.

Types of market surveys

1. Market Surveys for segmentation

2. Market Surveys for exploring various aspects of the target market

3. Market Surveys to probe into purchase procedure

4. Market Surveys to establish buyer personality

5. Market Surveys to measure customer loyalty

6. Market Surveys to analyze a new feature or concept

7. Market Surveys for competitor analysis

8. Market Surveys to understand the impact of sales activities

9. Market Surveys to assess prices for new products/services

10. Market Surveys for evaluation of customer service

Company Promotional Activities

The goal of marketing is to stand out and be noticed. Good marketing keeps drawing your customers' attention to your products and services. Your clearly defined, well-packaged, competitively-priced products and services are the foundation of your marketing. The newer you are in your market, the harder you have to work to attract and retain new customers. Many of your marketing activities will focus on communicating to customers the features and benefits of your products (i.e. compared to your competitors). Consider which promotional activities will best meet your marketing needs.

Types of promotional activities

(i)Advertising - you can advertise your product, service or brand in newspapers, radio, television, magazines, outdoor signage and online. Learn more about how to make your advertising a success

(ii)Personal selling or telemarketing - effective personal selling relies on excellent communication and interpersonal skills, good product and service knowledge and the ability to sell product benefits to prospective customers.

(iii)Publicity - created by sending media releases to print and broadcasting media, giving interviews to the media and from word-of-mouth.

(iv)Short-term sales promotions - market your product or service using coupons, competitions and contests.

(v)Direct marketing - involves sending letters, emails, pamphlets and brochures to individual target clients, often followed by personal selling or telemarketing.

Conclusion

A business development plan is a plan that is made by companies or start-ups to develop their business. This kind of plan can be really successful for any small, medium and big companies all around the world. Branding is the process of creating a strong positive perception of a company, its products or services in the customers mind by combining such elements as logo, design, mission statement and a consistent theme throughout all marketing communications. The goal of marketing is to stand out and be noticed. Good marketing keeps drawing your customers' attention to your products and services.

The trainee should be able to highlight the benefits of branding and market survey; identifying various promotional activities used by a company and discuss the attributes for a brand. The trainees should also prepare a business development plan in accordance with the strategy the trainee has chosen and visit a nearby supermarket and identify the brand logos of different companies

11.3.4.3. Self-Assessment

1. _ ______________is the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market.
    a. Branding
    b. Imaging
    c. Positioning
    d. Targeting
    e. Segmenting

2. Companies can gain a strong competitive advantage through having better-trained people. This is called _____.
   a. product differentiation
   b. human resources parity
   c. personnel training
   d. reputable personnel
   e. employee differentiation

3. As part of the strategic brand management process, each company and offering must represent the ________ in the mind of the target market.
   a. organizational concept
   b. cell
   c. promotion
   d. right kinds of things
   e. ad

4. All marketing strategy is built on STP segmentation, targeting, and
   a. positioning
   b. promotion
   c. planning
   d. performance
   e. product

5. The result of positioning is the successful creation of ________, a cogent reason why the target market should buy the product.
   a. strategic window of opportunity
   b. a customer-focused value proposition
   c. an award winning promotional campaign
   d. every-day-low-pricing
   e. a demand channel

6. Using the market approach, ________ are companies that satisfy the same customer need.
   a. entrepreneurs
   b. followers
   c. innovators
   d. competitors
   e. partners

7. Which of the following terms is most closely associated with the following statement: "attributes or benefits consumers strongly associate with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand"?
    a. points-of-value
    b. brand concept
    c. brand image
    d. points-of-parity
    e. points-of-difference

8. Douglas Holt believes that for companies to build iconic leadership brands, they must assemble
    a. equity building blocks
    b. brand pyramids
    c. brand champions
    d. consumer knowledge
    e. cultural knowledge

9. ________ is a company's ability to perform in one or more ways that competitors cannot or will not match.

    a. Competitive advantage
    b. Competitive intelligence
    c. Market research
    d. Competitor analysis
    e. Brand positioning

10. There are three main ways to convey a brand's category membership: announcing category benefits, ________, and relying on the product descriptor.

    a. buzz marketing
    b. overt publicity
    c. preference positions
    d. comparing to exemplars
    e. industry trade press

11. To avoid confusing brand loyal customers, Ford presented the X-trainer as a "sports wagon." With respect to ways of conveying a brand's category membership, which of the following did Ford use with its new product?
    a. comparing to exemplars

b. using public relations to secure brand position
c. relying on the product descriptor
d. using brand perception to increase profits
e. announcing category benefits

12. Identifying various promotional activities used by a company
13. Discuss the attributes of a brand
14. By use of a well-known firm, identify how the firm prepare for its presence, how it does promotional activities and how it benefits from these activities.
15. Prepare Business development plans according to the business development strategies given.
16. Conduct a Market survey and identify company promotion activities according to strategic plans.
17. Demonstrate communication of Business development plans to the department according to the business development procedures.
18. Company promotional activities are identified according to market survey
19. Prepare Company presence and brands strategy report to company policy

11.3.4.4. Tools, Equipment, Supplies and Materials for the specific learning outcome

- Internet connectivity
- Stationery
- Computer
- Phones

11.3.4.5. References

1. Kolter, Phillip (2001) Marketing management, Pearsons Education, Prentice Hall
   Further reading
2. https/ www.businessdictionary.com

11.3.5. Learning Outcome LO4. Maintain Customer Relations Management System

11.3.5.1. Learning Activities

Learning Outcome LO4. Maintain Customer Relations Management System	
Learning Activities	Special Instructions
• Using your institution, obtain evaluate, update and store customers data on cloud based CRM Apps • Demonstrate the procedure used in obtaining customer data, evaluating the data, updating customers' accounts and sorting customer data • Discuss the benefits of using Cloud based CRM Apps in a company	• The trainee should obtain evaluate, update and store customers data on cloud based CRM Apps and • Demonstrate the procedure used in obtaining customer data, evaluating the data, updating customers' accounts and sorting customer data

11.3.5.2. Information Sheet No. 11/LO4

Introduction

Customer relationship management (CRM) is the combination of practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving customer service relationships and assisting in customer retention and driving sales growth. CRM systems compile customer data across different channels, or points of contact between the customer and the company, which could include the company's website, telephone, live chat, direct mail, marketing materials and social media. CRM systems can also give staff detailed information on customers' personal information, purchase history, buying preferences and concerns.

Definition of Key words

CRM- Customer Relationship Management

It is the process of carefully managing detailed information about individual customers and all customer touch points to maximize customer loyalty.

Cloud based CRM Apps/ CRM cloud

It refers to any customer relationships management technology where the CRM software, CRM tools and the organizations customer data resides in the cloud and is delivered to end users via internet.

Content

Components of CRM

At the most basic level, CRM software consolidates customer information and documents into a single CRM database so business users can more easily access and manage it.

Over time, many additional functions have been added to CRM systems to make them more useful. Some of these functions include recording various customer interactions over email, phone, social media or other channels; depending on system capabilities, workflow automation processes, such as tasks, calendars and alerts; and giving managers the ability to track performance and productivity based on information logged within the system.

The components of CRM are:

Marketing automation: CRM tools with marketing automation capabilities can automate repetitive tasks to enhance marketing efforts at different points in the lifecycle. For example, as sales prospects come into the system, it might automatically send the prospects marketing materials, typically via email or social media, with the goal of turning a sales lead into a full-fledged customer.

Sales force automation: these tools track customer interactions and automate certain business functions of the sales cycle that are necessary to follow leads and attract and obtain new customers.

Contact center automation: Designed to reduce tedious aspects of a contact center agent's job, automation might include pre-recorded audio that assists in customer problem-solving and information dissemination. Various software tools that integrate with the agent's desktop tools can handle customer requests in order to cut down on the time of calls and to simplify customer service processes.

Geo location technology, or location-based services: Some CRM systems include technology that can create geographic marketing campaigns based on customers' physical locations, sometimes integrating with popular location-based GPS apps. This technology can also be used as a networking or contact management tool in order to find sales prospects based on a location.

Workflow automation: CRM systems help businesses optimize processes by streamliving workloads, enabling employees to focus on creative and more high-level tasks.

Lead management: Sales leads can be tracked through CRM, enabling sales teams to input, track and analyze data for leads in one place.

Human resource management: CRM systems help track employee information, such as contact information, performance reviews and benefits within a company. This enables the human resource department to more effectively manage the internal workforce.

Analytics: Analytics in CRM help create better customer satisfaction rates by analyzing user data and helping create targeted marketing campaigns.

AI: Artificial intelligence technologies, have been built into CRM platforms to automate repetitive tasks, identify customer buying patterns to predict future customer behaviors and more.

Types of CRM technology

On-premises CRM: This system puts the onus of administration, control, security and maintenance of the database and information on the company using the CRM software. With this approach, the company purchases licenses upfront instead of buying yearly subscriptions from a cloud CRM provider. The software resides on the company's own servers and the user assumes the cost of any upgrades. It also usually requires a prolonged installation process to fully integrate a company's data. Companies with complex CRM needs might benefit from an on-premises deployment.

Cloud-based CRM: With cloud-based CRM, also known as SaaS (software as a service) or on-demand CRM, data is stored on an external, remote network that employees can access anytime, anywhere there is an internet connection, sometimes with a third-party service provider overseeing installation and maintenance. The cloud's quick, relatively easy deployment capabilities appeal to companies with limited technological expertise or resources.

Companies might consider cloud CRM as a more cost-effective option. Vendors such as Salesforce charge by the user on a subscription basis and offer the option of monthly or yearly payments.

Data security is a primary concern for companies using cloud-based systems, as the company doesn't physically control the storage and maintenance of its data. If the cloud provider goes out of business or is acquired by another company, an enterprise's data can be compromised or lost. Compatibility issues can also arise when data is initially migrated from a company's internal system to the cloud.

Finally, cost may be a concern, since paying subscription fees for software can be more costly over time than on-premises models.

Open source CRM: it make source code available to the public, enabling companies to make alterations at no cost to the company employing the system. Open source CRM systems also enable the addition and customization of data links on social media channels, assisting companies looking to improve social CRM practices.

Open Source CRM platforms such as OroCRM, SuiteCRM and SugarCRM offer alternatives to the proprietary platforms from Salesforce, Microsoft and other vendors.

CRM examples

Contact center: Traditionally, data intake practices for CRM systems have been the responsibility of sales and marketing departments, as well as contact center agents. Sales and marketing teams procure leads and update the system with information throughout the customer lifecycle, and contact centers gather data and revise customer history records through service calls and technical support interactions.

Social CRM: Social media in CRM involves businesses engaging customers directly through social media platforms, such as Facebook, Twitter and LinkedIn. Social media presents an open

forum for customers to share experiences with a brand, whether they are airing grievances or promoting products.
To add value to customer interactions on social media, businesses use various social CRM tools that monitor social media conversations, from specific mentions of a brand to the frequency of keywords used, to determine their target audience and which platforms they use. Other tools are designed to analyze social media feedback and address customer queries and issues.
Companies are interested in capturing customer sentiments, such as the likelihood they will recommend products and their overall customer satisfaction, to develop marketing and service strategies. Companies try to integrate social CRM data with other customer data obtained from sales or marketing departments to get a single view of the customer.
Another way in which social CRM adds value for companies and customers is through customer communities, where customers post reviews of products and can engage with other customers to troubleshoot issues or research products in real time. Customer communities can provide low-level customer service for certain kinds of problems and reduce the number of contact center calls. Customer communities can also provide new product ideas or feedback that companies can use in lieu of feedback groups.
Mobile CRM: CRM applications built for smartphones and tablets have become a must-have for sales representatives and marketing professionals who want to access customer information and perform tasks when they are not physically in their offices. Mobile CRM apps take advantage of features that are unique to mobile devices, such as GPS and voice recognition capabilities, to give sales and marketing employees access to customer information from anywhere.
Business-to-business (B2B) practices: A CRM system in a B2B environment helps monitor sales as they move through the sales funnel, enabling a business to address any issues that might come up during the process. CRM systems in the B2B market help create more visibility into leads and, therefore, increase efficiency throughout the sales process.

CRM challenges
For all of the advancements in CRM technology, without the proper management, a CRM system can become little more than a glorified database in which customer information is stored. Data sets need to be connected, distributed and organized so that users can easily access the information they need.

Conclusion
Customer relationship management is the combination of practices, strategies and technologies that companies use to manage and analyze customer interactions and data throughout the customer lifecycle, with the goal of improving customer service relationships and assisting in customer retention and driving sales growth. CRM systems compile customer data across different channels, or points of contact between the customer and the company, which could include the company's website, telephone, live chat, direct mail, marketing materials and social media.

The trainee should be able to highlight the benefit of CRM system, discuss the importance of using cloud based CRM Apps, discuss the types of CRM technology and discuss the components of CRM

11.3.5.3. Self-Assessment

1. Customer Relationship Management is about
   a) Acquiring the right customer
   b) Instituting the best processes
   c) Motivating employees
   d) All of the above

2. CRM technology can help in
   a) Designing direct marketing efforts
   b) Developing new pricing models
   c) Processing transactions faster
   d) All of the above

3. A _________ is an organized collection of detailed information about individual customers or prospects that is accessible, actionable and current for marketing purposes such as lead generation and others.
   a) Customer database
   b) Customer mailing list
   c) Business database
   d) None of the above

4. _______uses sophisticated mathematical and statistical techniques such as neutral networking and cluster analysis.
   a) Data mining
   b) Data survey
   c) CRM
   d) None of the above

5. The main drawback of CRM is
   a) Implementing CRM before creating a customer strategy
   b) Rolling out CRM before changing the organization to match
   c) Stalking, not wooing, customers
   d) All of the above

6. The marketing messages committed to customers wishes is a part of
   a) Permission marketing
   b) Activity marketing
   c) Supplier marketing
   d) None of the above

7. The method used to assess real cost of providing services to an individual customer is
   a) Cost based accounting
   b) Activity based accounting
   c) Turnover based accounting
   d) Price based accounting

8. _______is any occasion on which the brand or product is used by end customers.
   a) Customer touch point
   b) Retailers touch point
   c) Company touch point
   d) None of the above

9. _________ is the study of how individuals, groups and organizations select, buy, use and dispose off goods, services, ideas or experiences to satisfy their needs and wants.

   a) Consumer behavior
   b) Product cycle
   c) Purchase behavior
   d) None of the above

10. Using your institution, obtain, evaluate, update and store customers data on cloud based CRM Apps
11. Discuss various components of CRM
12. Discuss various types of CRM technology
13. By use of your institute find how data is obtained from customers account in the accounting system and how data is stored in accordance with the ICT/CRM policies.
14. Collect data of an organization and evaluate Customer Relations Management (CRM) in accordance to CRM procedures.
15. Demonstrate storage of customer data in accordance with the ICT and CRM Policies
16. Identify Cloud based CRM Apps and their benefits in accordance with ICT and CRM policies

11.3.5.4. Tools, Equipment, Supplies and Materials for the specific learning outcome

- Internet
- Stationery
- Computer
- Phones

11.3.5.5. References

1. https/www.salesforce.com
2. https/ businessdictionary.com
3. Kolter, Phillip (2001) Marketing management, Pearsons Education, Prentice Hall

11.3.6. Learning Outcome LO5. Monitor Sales Turnover

11.3.6.1 Learning Activities

Learning Outcome LO5. Monitor Sales Turnover	
Learning Activities	Special Instructions
• Using your institutions financial statements identify, compute and interpret the turnover ratios.	The trainee should identify, compute and interpret the turnover ratios using the institution financial statements

11.3.6.2. Information Sheet No. 11/LO5

Introduction

The turnover ratios are used to check the efficiency of the company e.g. how it uses its assets to earn revenue. Therefore the sales figure is compared with the assets of the company. In a business there are requirements for different types of assets and they are used to generate the business revenue so that the business can run.

Turnover ratios are classified under efficiency ratios since these ratios measure how a company is utilizing its different assets to achieve its revenue. Turnover ratios are used by both internal and external partners.

A higher turnover ratio indicates that the company is optimally using the resources to earn revenue and this implies a higher Return on Investment (ROI) and funds invested are used the least.

Definition of Key terms

Turnover Ratio

It is a ratio used to calculate the quantity of any asset which is used by a business to generate revenue through its sales.

Sales Turnover

It refers to the total revenue generated by a business during the calculation period usually one year. The concept is useful for tracking sales levels on a trend line in order to spot meaningful charges in activity levels.

Content

Types of turnover ratios

1. **Capital employed turnover ratio**: It indicates the relation between Capital employed in a business and revenue/sales the business generates out of it-
   Capital employed turnover ratio = sales/capital employed

2. **Total asset turnover Ratio**: It determines the connection between the sales and total assets of a company. It checks for efficiency
   Total Asset turnover ratio = sales (net sales)/total assets of the company

3. **Debtors/receivables turnover ratio**: It calculates the quickness of conversion of the debtors or credit sales amount to cash.
   Debtors turnover Ratio = Net credit sales/Average debtors (Account Receivable)(formula needs formatting)

4. **Fixed asset turnover Ratio**: It measures how much is generated from optimizing the fixed assets of the company and how much efficiency it is done.
   Fixed asset turnover ratio = sales (Net sales)/fixed assets

5. **Inventory/stock turnover ratio**: It is used to measure the number of sales generated from its inventory and how efficiently inventories in a company is used.
   Inventory Turnover Ratio = cost of goods sold/Average stock or
   Inventory Turnover ratio = Sales/closing stock

6. **Average collection period**: It shows amount of time required to convert credit sales into cash. It states the average time period given to debtors to make the payments
   Debt (Average) collection period = Days in a year/Debtors turnover ratio or
   =365/Debtors turnover ratio

Areas of business improvement

Organizations will identify a problem and then work to identify the root cause of the problem to come up with a solution for implementation. One of the best ways an organization can identify areas for improvement is to use a Lean assessment methodology.

The Lean assessment helps an organization to identify potential opportunities for improvement at a high level and provides an understanding of the process before change occurs. It is a methodical evaluation that documents the current state of the business and what can be expected in the future state. Typical areas that are evaluated through a Lean assessment include the company's current culture, market expectations, customer satisfaction, employee skills requirements, readiness to change etc

Steps of performing a Lean assessment in an organization;

Meetings. Meet with key and controlling stakeholders to determine expectations and timeline for the Lean assessment.

Determine the project scope. Write information contained in the project.

Conduct interviews with staff to gather answers to specific questions e.g. what are the perceived levels of empowerment in the business? There is value in speaking to as many staff as possible to identify the strengths, weaknesses, opportunities and threats to the business.

Develop benchmarking for several areas in your organization. For example, include strategic and operational planning in your review, workplace organization, IT systems, human resources development, current accounting practices, operational performance, sales and marketing, and other areas that you feel could or should be included in the assessment.

Prepare summary and detailed reports of your findings and include specific areas for initial improvement, reasons, and possible solutions. Estimate amount of internal and external resources and provide high level recommendations resulting from your findings.

Meet with the key and controlling stakeholders to present your findings and recommendations and determine steps forward.

Conclusion

The turnover ratios are used to check the efficiency of the company e.g. how it uses its assets to earn revenue. The turnover ratios include: capital employed turnover ratio, total assets turnover ratio, debtor's turnover ratio, fixed asset turnover ratio, inventory turnover ratio and average collection period.

One of the best ways an organization can identify areas for improvement is to use a Lean assessment methodology

The Learner should be able to identify, compute and interpret turnover ratios using financial statements provided by their respective institutions and also highlight the uses of turnover ratios.

11.3.6.3. Self-Assessment

1. Assuming no returns outwards or carriage inwards, the cost of goods sold will be equal to:
    a) Opening stock plus purchases plus closing stock
    b) Closing stock less purchases plus opening stock
    c) Purchases plus closing stock less opening stock
    d) Sales less gross profit

2. Given the following data: Gross profit £6700, Carriage inwards £400; Carriage outwards £250, Rent received £575 and Other expenses £3600, the net profit for the firm would be:
    a) £3,025
    b) £3,425
    c) £2,450
    d) £3,275

3. The characteristics of a current asset would not include:
    a) Use as part of the firm's trading operations
    b) Likely to change before the next accounting period is over
    c) Not bought for resale
    d) Liquidity

4. Valuing closing stock at cost is an application of which concept?
    a) Money measurement
    b) Prudence
    c) Dual aspect

d) Consistency

5. Carry out assessment of sales turnover of a business within your reach, hence,
    - ***Identify Business turnover indicators*** in accordance to the nature of business
    - Identify Areas of improvement based on assessment results
    - Develop Effective and targeted solutions based on assessment results
6. Highlight the uses of turnover ratios
7. Discuss the steps followed in performing a Lean assessment in an organization

11.3.6.4. Tools, Equipment, Supplies and Materials

- Computer
- Printer
- Projector
- Stationary
- Digital devices
- Internet
- Case studies

11.3.6.5. References

1. Michelle .S and William. A (2019).How to Determine Sales Turnover From Financial Statements.*U.S. Securities and Exchange Commission: Beginners' Guide to Financial Statements*

Further reading

2. https://www.accountingtools.com/
3. https://www.accountingcoach.com/
4. https://www.accountinglearning.blogspot.in/

11.3.7. Learning Outcome LO6. Manage new strategic partnerships

11.3.7.1. Learning Activities

Learning Outcome LO6. Manage new strategic partnerships	
Learning Activities	Special Instructions
• Identify strategic partners of your institution • Visit a nearby company and identify the reasons behind formation of strategic partnership including benefits. Also find out the reasons why they form technical committee to develop organization strategic plans. Find out the problems or goals that have brought together the multiple organizations. Find out why creating a partnership is needed to accomplish an organizations	• The trainee should Identify strategic partners of their respective institutions and • Visit a nearby company and identify the reasons behind formation of strategic partnership including benefits. Also find out the reasons why they form technical committee to develop organization's strategic plans

11.3.7.2. Information Sheet No. 11/LO6

Introduction

A Strategic partnership is an agreed-upon collaboration between businesses with common missions. Although partnerships can take on a number of objectives and levels of formality depending upon the nature of the agreement, the overall goal of strategic partnerships is to share resources in a way that promotes growth for all partners.

Definition of Key terms

Business Partner

Refers to an individual or company who has some degree of involvement with another entity's business dealings e.g. computer manufacturer who works exclusively with another company who supplies them with computer parts

Technical committee

It refers to a set of people from different organizations who combine their expertise to solve problem facing an industry e.g. in wireless industry, a team of technical committee has been formed to allow service providers and equipment procedures to coordinate innovation for cellular products and services.

Content

Types of Strategic Partnerships

Horizontal Strategic Partnerships: This is where by Businesses in the same area (i.e. competitors) agree to collaborate in a way that will improve their market position.

Vertical Strategic Partnerships: In this case a business collaborates with companies in its supply chain (its suppliers and/or distributors). Vertical partnerships often allow businesses to minimize risk in the supply chain and obtain lower prices in exchange for long-term commitment. Also known as channel partnerships or supply chain partnerships.

Intersectional Strategic Partnerships: Businesses from different areas agree to share their special knowledge for the advancement of all partners.

Joint venture Strategic Partnerships: Two or more businesses form a new company. The new company is its own legal entity, and its profits are split according to terms spelled out in a formal contract.

Equity Strategic Partnerships: A company acquires a minor equity stake in another business in exchange for a monetary investment. Such exchanges can accompany other types of collaboration and, to a certain extent, agreed-upon access to decision making.

Classification of strategic partnerships

Classification according to purpose: Whether initiated between businesses in the same industry segment or businesses in completely different industries, partnerships can be classified according to their purpose e.g.

(a) Development Partnership

Conducting research toward new or improved products and services requires monetary investment, time, and worker capacity and, in some cases, specialized equipment. By nature, Research and Development is a risky but potentially advantageous undertaking with unpredictable results. To conserve resources and therefore mitigate the risks associated with research and development investments, some businesses choose to partner around shared research objectives. Development partnerships can take the following forms:

- Joint research & development departments
- Co-application to government research grants
- A financially secure company offering funding to an organization with specialized research capabilities in exchange for intellectual property rights.

(b) Strategic integration and referral partnerships

They generate passive channels of customer acquisition. Through such arrangements, businesses agree to refer customers to their preferred partners. In many cases, especially today in the digital age, these partnerships are accompanied by integrations that allow customers to transfer their information between the business's offerings. Such partnerships include:

- Computers shipping with pre-installed third party software
- Discounted airport transfers offered by airlines
- A customer relationship management software offering integrated access to a conference calling service
- A movie theater offering popcorn and refreshments branded by their integration partner

1. Co-branding

Through cobranding, two or more manufacturers or sponsors produce an original product or service that is then offered under all of the partners' names. Co-branding allows businesses to expand their brand recognition to new customers while offering existing customers a new way to experience their products or services, hopefully deepening their dedication to the brand.

Examples of cobranding:

- Dual-branded Betty Crocker-Hershey's cake mixes
- Corporate event sponsors
- The Chase/United Mileage Plus Explorer credit card

2. Strategic Sales Partnerships

They exist between manufacturers and businesses with the capacity to resell goods and services. What differentiates strategic sales partnerships from referral partnerships is that a resell partner receives payment in exchange for their referrals, typically as a percent of the revenues generated or on a flat, per item sold basis.

3. Supply Chain and Channel Partnerships

They occur between buyers and sellers at every level of the supply chain. Participants in supply chain partnerships include manufacturers, distributors, retailers, raw goods suppliers and more.

Through channel partnerships, businesses move their relationships beyond one-off buying and selling transactions and develop methods of collaboration to create more stable and efficient supply chains that lead to increased sales. Channel partnership agreements allow for the open sharing of sales information, pricing data and best sales strategies. For example, just in time inventory allows retailers to communicate in real-time with their suppliers to maintain inventory.

Companies regularly seek partners with complementary capabilities to gain access to new markets and channels, share intellectual property or infrastructure and reduce risk. These relationships make sense because of complex business environment e.g. emergence of new technologies, faster innovation cycles etc.

When companies get better at managing individual relationships they are more likely to become partners of choice and are able to build entire portfolios of practical and value creating partnerships. However there are various risks involved with managing business partnerships namely:

- Disagreements on objectives for the relationship
- Poor communication among partners
- Poor governance processes
- Partner's inability to identify and quickly make changes needed for successful relationship.

Strategic partnership can only be successful if partners nurture their relationship, connect socially, Keep everyone in the loop, recognize each other's capabilities and motivations, invest in tools, processes and personnel, advocate accountability etc.

Forming technical committee

Joint participation by firms in technical committees helps them identify potential alliance partners and particular opportunities for technical collaboration. This effect is magnified by sustained participation by individuals on behalf of their firms, demonstrating that inter-firm relationships are enhanced by the interpersonal bonds that are forged in technical committees.

Technical committees provide a more critical avenue for exchange of knowledge when firms do not have the luxury of exchanging information through contractual linkages and also facilitate the entry of less-established firms into alliance networks.

Conclusion

A Strategic partnership is an agreed-upon collaboration between businesses with common missions. Although partnerships can take on a number of objectives and levels of formality depending upon the nature of the agreement, the overall goal of strategic partnerships is to share resources in a way that promotes growth for all partners. We have different types of partnerships and different classes of partnerships.

The learner should be able to discuss the benefits of identifying business partners, discuss risk associated with business strategic partnerships and discuss various types of strategic partnerships.

11.3.7.3. Self-Assessment

1. Which of the following is NOT a strategic alliance?
   a) Joint marketing campaign
   b) Cooperative product development
   c) Joint venture

d) Merger

2. What is the most frequent internal motive for a strategic alliance?
   a) Resource need
   b) Risk limitation
   c) Cost minimization
   d) Current poor performance
3. A partnership between companies in different lines of business, is called:
   a) Vertical integration alliance
   b) Diversification alliance
   c) Shared supply alliance
   d) International expansion alliance

4. Discuss benefits of identifying business partners
5. Discuss risks associated with strategic partnerships
6. Discuss various types of strategic partnerships.
7. Through observation, identify a giant organization formed business partnership and identify risks taken as well as benefits gained.

11.3.7.4. Tools, Equipment, Supplies and Materials

- Stationery
- computer
- phones
- internet
- projector
- printer
- Case studies

11.3.7.5. References (APA)

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11.3.8. Learning Outcome LO7. Benchmark Industry Players

11.3.8.1. Learning Activities

Learning Outcome LO7. Benchmark Industry Players	
Learning Activities	Special Instructions
• Identify benchmarking parameters within your institution and visit a nearby technical institution to find out their performance vis-à-vis your selected parameters.	The trainee should identify benchmarking parameters within their respective institutions and visit a nearby technical institution to find out their performance vis-à-vis their selected parameters.

11.3.8.2. Information Sheet No. 11/LO7

Introduction

Companies use benchmarking as a way to compare themselves to ones in the industry. This allows companies to see how well they are performing and identify ways they can become more competitive in the industry.

Companies can also use benchmarking as a way to help them become more competitive e.g. they can identify areas where they are underperforming. Companies can choose any type of benchmarking to use e.g. best practices, peer benchmarking, SWOT and collaborative benchmarking.

Benchmarking can be used in discovering what is the best performance being achieved by a competitor or by an entirely different industry. This information can then be used to identify gaps in an organization's processes in order to achieve a competitive advantage. Thus it is important for practitioners to:

- Understand fully the purpose and use of benchmarking.
- Understand the difference between benchmarking and competitor research.
- Gain insight to ensure that benchmarking is in alignment with the company's management objectives.

Definition of Key terms

Benchmarking

It is a technique that makes use of external comparisons to better evaluate ones current performance and identify possible actions for the future. It is also a measurement of the quality of an organization's policies, products, programs, strategies, etc., and their comparison with standard measurements, or similar measurements of its peers.

Financial Performance

It refers to the act of performing financial activity or the degree to which financial objectives has been accomplished. It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure firm's overall financial health over a given period of time and can also be used to compare similar firms across the same industry or to compare industries or sectors in aggregation

Content

Benchmarking as a Tool

Benchmarking is a process for obtaining a measure i.e. a benchmark. Benchmarks are the "what," and benchmarking is the "how." But benchmarking is not a quick or simple process tool. Before undertaking a benchmarking opportunity, it is important to have a thorough understanding of the company's guidelines. Some companies have strict guidelines as to what information can be gathered, and whom practitioners can contact to get that information. Depending on the size of the company, practitioners may be surprised at what is readily available in-house.

Benchmarking is not just a matter of making inquiries to other companies or touring and documenting another company's facilities or processes. When making use of benchmarking, a company should not limit the scope to its own industry, nor should benchmarking be a one-time event.

Objectives of benchmarking

1. To determine what and where improvements are called for,
2. To analyze how other organizations achieve their high performance levels, and
3. To use this information to improve performance.

Classifications of Benchmarking

Internal benchmarking: it is used when a company already has established and proven best practices and they simply need to share them. Again, depending on the size of the company, it may be large enough to represent a broad range of performance (i.e., cycle time for opening new accounts in branches coast to coast). Internal benchmarking also may be necessary if comparable industries are not readily available.

Competitive benchmarking: it is used when a company wants to evaluate its position within its industry. In addition, competitive benchmarking is used when a company needs to identify industry leadership performance targets.

Strategic benchmarking: it is used when identifying and analyzing world-class performance. This form of benchmarking is used mostly when a company needs to go outside of its own industry. Six Sigma often uses Hoshin to ensure that all employees are knowledgeable about the strategic direction for the company. Within a company's Hoshin plan, goals are established relative to benchmarks set by world-class organizations. Often, these benchmarks are obtained from outside industries.

Steps Involved in Benchmarking

1. Understand the company's current process performance gaps. This will help decide what needs benchmarking.
2. Obtain support and approval from the executive leadership team. That approval and support will assist with eliminating roadblocks, providing adequate resources and expediting the benchmark-gathering process.
3. Document benchmarking objectives and scope. This is a necessity for any project.
8. Document the current process.

Without up-to-date knowledge of the current process:

a. Time and resources can be wasted collecting process documentation and data that already exists.
b. The project may lack focus, purpose and/or depth.
c. Benchmarking visits may appear to be random exercises in information-gathering.
d. The team could select a partner whose performance is actually worse than that of its own organization.
e. Collected benchmarking data will be difficult to compare "apples to apples" in terms of process requirements.

9. Agree on the primary metrics.

Benchmarking measurements are used as the basis of many comparisons:

a. To determine the gap between current performance and that of partner organizations.
b. To track progress from the present (with the current process) into the future.
c. To track partners' progress toward their goals.
d. To determine superior performance with process improvements.
e. To use a measurement systems analysis (MSA):

i. These comparisons will be valid only if everyone participating in the study measures performance in exactly the same way – every time.
ii. It is important to make sure metrics are being established that potential benchmarking partners are probably already tracking or that can be easily derived from existing measurements.

6. The metrics should be put in writing e.g.

a. What is being measured?
b. How the units of measure will be classified.
c. What should be included in the measurement?
d. What should not be included?
e. How to make any necessary calculations.
f. Examples of typical measurements.

7. Agree on what to benchmark.
Everyone must be in agreement on what to benchmark prior to any benchmark gathering initiative in order to:

a. Understand gaps of low performers.
b. Understand impact to customers, associates and shareholders.
c. Prioritize and select one to three metrics to benchmark.

8. Develop a data collection plan.

9. Identify research sources and initiate data gathering.

10. Design a screening survey to assist with partner selection

11. Determine how to contact and screen companies.

12. Design a detailed survey to gather information.

13. Decide if gathered information meets original objectives.

14. Conduct a site visit.

15. Apply the learnings to performance gaps.

16. Communicate to the executive leadership to ensure continued support.

17. Develop a recommended implementation plan with process owner.

18. Know when to update and recaliberate.

Benefits of benchmarking

- Helping companies become more efficient and profitable,
- Improving employee understanding of cost structures and internal processes,
- Encouraging team-building and cooperation in the interests of becoming more competitive
- Enhancing familiarity with key performance metrics and opportunities for improvement company-wide and;
- Helps employees understand how one small piece of a company's processes or products can be the key to major success, just as one employee's contributions can lead to a big win.

Illustration/case study

Benchmarking can be compared to a dashboard on a car, where you can check your speed, gas level and temperature. A benchmarking report can therefore be used to examine things like revenues, expenses, production amounts, employee production etc.

Conclusion

Benchmarking is a process of measuring the performance of a company's products, services, or processes against those of another business considered to be the best in the industry. The point of benchmarking is to identify internal opportunities for improvement. By studying companies with superior performance, breaking down what makes such superior performance possible, and then comparing those processes to how your business operates, you can implement changes that will yield significant improvements.

The learner should be able to highlight classes of benchmarking, lists parameters that a company can benchmark on and discuss steps followed in benchmarking

11.3.8.3. Self-Assessment

1. What approach is used to compare organization operations with those of other companies?
    a) Benching marking
    b) Compare and contrast
2. The origins of benchmarking as it is used today go back to which company?
    a) Toyota
    b) Honda
    c) Japan
3. A comparison between operations or parts of operations that are within the same total organization is called:
4. Highlight different types of benchmarking
5. List the performance parameters used in benchmarking
6. Discuss benchmarking process
7. In a group of five trainees; list the performance parameters used in benchmarking an organization of your own choice.

11.3.8.4. Tools, Equipment, Supplies and Materials

- Stationery
- Internet connectivity
- Computer
- Case studies
- Digital devices

11.3.8.5. References (APA)

https://www.academia.edu
https://www.investopedia.com
https://study.com/academy

11.3.9. Learning Outcome LO8. Document and Computerize Business Strategy

11.3.9.1. Learning Activities

Learning Outcome LO8. Document and computerize business strategy	
Learning Activities	Special Instructions
• Document and computerize your strategy as per the ICT policy of your identified company. • Prepare a strategy report as per the standard operating procedures of the company	• The trainees should document and computerize the strategy as per the ICT policy of your identified company and • Prepare a strategy report as per the standard operating procedures of the company

11.3.9.2. Information Sheet No. 11/LO8

Introduction

Business organizations are today facing a period of rapid computerization of almost all functions. Moreover, the environment of organization is changing because of new strategic possibilities of information technology.

A well optimized business strategy documentation will keep a company ahead of trends in the market and make the company to respond promptly to the response from the market and target customers.

Documentation and computerization of business strategies also boosts productivity and strategy implementation rate. Moreover, documentation enables a company to understand what is working for the business growth and focus on scaling strategies that are bringing good results.

A company should create a documentation strategy based on a thorough review of the organization's strategic objectives and an understanding of how the documentation must support the objectives. This service will ensure that documentation is aligned with the needs of the organization, and that the organization is truly driving value out of the documentation processes, not just going through the motions.

Documentation and computerization of business strategy is perfect for organizations with little documentation and that are looking to start from scratch; for those who are growing and need to build up their documentation, or for those that are looking to change their existing documentation dramatically.

Definition of Keywords

Business Strategic Document

It is an internal document that outlines an organizations overall direction, philosophy and purpose, examine its current status in terms of strengths Weakness, Opportunities and Threats, sets long-term objectives and formulate short-term tactics to achieve them.

Content

Strategy documentation process

1. **Define the Documentation Objectives**
   Documentation has a purpose and its purpose is to drive more value for your organization. The first step in defining an effective Documentation Strategy is to align with the strategic objectives of your organization or department.
2. **Look for Quick Wins**
   Look for quick wins for gaining your stakeholders' buy-in e.g. simple process diagrams that improve clarity for operational teams or effective meeting minute practices that drive more momentum for projects.
3. **Look for the 80/20**
   You do not have the resources or the budget to ensure that your documentation meets all of your organization's objectives. You cannot aim for perfection, especially when you are building your documentation from the ground up or making major changes.
4. **Develop the Strategy**
   We then develop a comprehensive Documentation Strategy based on our analysis from interviews and facilitated sessions with management, in addition to through looking through existing company materials.
5. **Vet the Strategy**
   Vet the strategy with your management through a formal meeting and presentation.
6. **Plan the Next Round**
   Developing a strong Documentation Strategy is the beginning of good changes for any organization.
7. **Preparing business strategy report**
   Leaders in almost every profession focus on improving results. Businesses examine marketing strategy to boost profits in different markets, governments analyze military strategy when faced with challenges to national security, and educators re-think teaching strategy when student performance starts to dip. Professionals in these and other fields catalogue the results from these studies in strategy reports.

Steps followed in preparation of a business strategy report

1. **Start with an executive summary**.
   Identify the subject. Then introduce the current strategy and explain the report's angle. For example, an executive summary for a strategy report on improving student test scores might read, "Standardized test scores of students at XYZ institution are near the state average."

2. **Discuss the current strategy and explain why it needs another look**.
   Then state the report's purpose. For example, "District supervisors say they would like to see test results improve. The lecturers usually start in January to prepare students for the end-of-

year tests. This report considers whether a change in teaching strategy might better ready students for the new standardized assessments."

3. **Write an overview.**
   Provide historical background of the subject. Identify key players. Divide the subject into sub-topics with separate headings.
4. **Describe performance indicators used to measure results**.
   For example, in a report measuring the performance of a computer's file server, the Edison Group identified "Net Bench" as a common measurement of file server capability. The report then described the specific tests that were performed and the results of each.
5. **Analyze the methodology used to make conclusions**.
   Explain why the metrics used are appropriate for the subject matter. In the example about improving student test scores, you might identify the different methods used to evaluate preparation for standardized tests and explain how these methods produced reliable results in other school districts.
6. **Rate the accuracy of strategy findings**.
   Explain why your results are dependable. Discuss inconsistencies, if any, and explain why they don't contradict the report's conclusions.
7. **Present findings in a format most appropriate for the subject matter**.
   For example, use a numbered list of concise text summaries if reporting on strategies to modify student behavior. Use a graph or table for results that report numbers and amounts.
8. **Finish the strategy report with conclusions that support or reject the current strategy**
   Restate the purpose of the report in the form of a question. For example, "If students prepare for standardized tests in September, will their scores improve?" Then answer the question in one sentence. Continue with a discussion of the key facts supporting the conclusion.

Conclusion

A good business strategy documentation will keep a company ahead of trends in the market and make the company to respond promptly to the response from the market and target customers. Documentation and computerization of business strategies also boosts productivity and strategy implementation rate.

The learners should be able to discuss the steps followed in the documentation of a strategy and also explain the benefits of documentation of business strategy.

11.3.9.3. Self-Assessment

1. Identify Business strategic documents according to standard operating procedures
2. Identify the Computer hardware and software that are in use in a business of your choice according to standard operating procedures.
3. Discuss the steps followed in the documentation of a strategy
4. Discuss the benefits of documenting and computerizing business strategies.

https://images.template.net/wp-content/uploads/2015/04/Development-Plan-Template.jpg

11.3.9.4. Tools, Equipment, Supplies and Materials

- Computer
- Stationery
- Phones
- Printers
- Projector
- Internet

11.3.9.5. References

1. https://www.businessdictionary.com
2. https://www.jstor.org/stable
3. Taylor and Francis Ltd, 1987, International Studies of management and organization
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