



Master Consultants Ltd
Growing People, Growing Organizations

COURSE OUTLINE

INTERNATIONAL DIPLOMA IN BUSINESS ORGANISATION & MANAGEMENT FOR ENTREPRENEURS

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke



Master Consultants Ltd

Growing People, Growing Organizations

Module 1 - The First Steps

What a business is

What an entrepreneur is

What products are:

goods and services

The "idea" for your business:

considering skills, knowledge, experience

converting a hobby into a living

an invention - a new product

dangers to avoid

The Business Plan:

reasons why one should be drawn up

matters it should cover

its important uses

dangers of not producing one

Capital

for what money may be needed in starting a business:

working assets, stocks/inventory, paying expenses

Sources of capital:

savings

bank loans:

the term, repayments, security or collateral, interest

the loan agreement

bank overdraft

how it differs from a bank loan, dangers to note, interest

business development organizations:

advice and financial assistance

Contribution to capital other than money

Module 2 - Ownership of Businesses

The "profit motive"

practical example of how profit arises

the "factors of production"

losses in business

Types of business ownership

the sole-owner business:

range of activities

advantages and disadvantages of sole-ownership

the meaning of unlimited personal liability

registration

business partnership firms:

reasons why partnerships may be formed

importance of having a partnership agreement

raising capital:

working and "sleeping" partners

division of profits

unlimited personal liability for losses

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke



Master Consultants Ltd

Growing People, Growing Organizations

advantages and disadvantages of business partnerships
registration
changing a sole-owner business into a partnership
Limited liability companies:
capital, shares and shareholders
advantages of limited liability
company formation and incorporation
advantages of incorporation for sole-owner businesses
and partnership firms
shares held by proxy
the importance of keeping control
hidden dangers in losing control
Franchises and concessions:
possible advantages
Licences and permits

Module 3 - The Business Environment, & the Location of Businesses

Types of businesses:
industrial:
extractive, processing, refining,
manufacturing, construction
trading and distributive:
wholesaling and retailing
service-providing
Consumers as end-users of products
Corporate buyers, buying on behalf of organizations
Natures of products:
necessities: staple products
luxuries: add to the quality of life
essential and nonessentials
The "choice" factor
The "market" for products
Effects of competition
Categories of customers
Where to locate a business:
working "from home"
businesses which depend on "passing trade":
where they are best located
businesses which can be located
in quieter areas or on town outskirts:
business parks, trading or industrial estates
narrowing down the choice of area
High priced products versus low priced products
Catering for customers' expectations
Special facilities or needs of businesses
Availability and cost of premises:
the "compromise"
Investigation and research

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke



Master Consultants Ltd

Growing People, Growing Organizations

Module 4 - Buying or Taking Over an Existing Business

Reasons why “going concerns” might be bought

Some business terms:

- assets, liabilities, debtors, creditors, credit,
- stock or inventory, accounts

Why the business is “for sale”

Its accounts

Getting the “real” facts

The “asking price” of the business:

the make-up of its value:

- values of assets and liabilities
- stock valuation
- depreciated values of working assets
- the full extent or value of liabilities

special attributes which help it do better than other businesses

goodwill: how it arises; how its value may be assessed

How the price is to be paid:

options which might be possible, negotiation

Assistance offered by the vendor(s):

options which might be possible

Avoiding competition from former owner(s)

The sale agreement:

what it should cover

having it prepared and/or checked by your lawyer

Buying into a partnership:

buying out an existing partner

buying into an extended partnership

The premises:

if they are included in the purchase price

if they are rented or leased

The lease or rental agreement:

the danger of renting without a lease

matters to look at in the lease:

- useable area, rent, dates, renewal, change of tenant,
- rent reviews or revisions, other payments in addition to rent

Shareholding and share transfers The Board of directors

how the board is elected

duties and responsibilities of the board:

the “watchdog” of shareholders’ interests

executive and non-executive directors

company officials:

managing director, chairman, company secretary

directors fees

Dividends:

distribution, profit held “in reserve”

Statutory obligations of the board:

AGM and the annual return

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke



Module 5 - Furnishing & Equipping the Premises, Insurance Principles

Factors which dictate the needs of businesses

Layout of the premises:

 planning the layout, multi-room and open plan layouts

Regulations

Electrical fittings, plug sockets and lighting

Telephone installation and connection

Computers: siting, electrics, network cabling

Walls and ceilings: painting, colours

Floor coverings: carpeting or other materials

Heating and/or cooling

Furniture and counters

Machinery & equipment

Ways of paying over a period:

 hiring, renting or leasing, hire purchase (HP)

Working assets:

 depreciation - wear and tear

Doors and windows: security

The outside: signs - licences to erect

Window displays:

 attracting favourable attention

 designing and creating, planning, building

 maintaining attraction

 displays for services

Internal displays:

 safety considerations, security against "shoplifting"

Insurance:

 what is involved:

 risks faced, indemnity

 risks against which businesses may insure

 compulsory insurance

 why some risks are not insured against

 loss of profits insurance

Module 6 - Suppliers, Ordering and Storing Stock Items

Wholesale businesses:

 what they do and what they seek in products

Retail businesses:

 what they do and what they seek in products

Groups of wholesalers and retailers Buying:

 orders and ordering, finding suppliers

 catalogues and price lists, quotations and estimates

Choosing suppliers:

 factors to consider in addition to price



Master Consultants Ltd

Growing People, Growing Organizations

trade discount, quantity discount, credit terms
Sizes and frequency of orders Planning: practical
example
Order forms:
 why they are used, and what information they contain
Receipt of deliveries:

 action to be taken
Storage of stock items:
 why stores are needed
Costs associated with stores
Location of stores or warehouses
Stores doorways and other openings
Stores floors
Heating and/or cooling requirements
Stores layout: factors to be considered
Stores equipment:
 for the storage of items: shelving and cabinets
 for moving items: manual and powered equipment, pallets
Stock (inventory) control:
 prevention of theft, prevention of pilfering
 protection of items in the store:
 major causes of damage and deterioration
 fire precautions
 stock records: reasons for keeping, accuracy
 stock levels:
 factors to consider, types of stock levels
 stocktaking and spot checks

Module 7 - Principles of Selling

The meaning of "persuasion"
Salesmanship in business:
 importance of effective selling
 overcoming competition
Buyers: consumers and corporate buyers:
 differences in buying motives
Necessities and luxuries:
 distinguishing between them
 how they can differ from customer to customer
The "choice" factor
Benefits of products:
 relationship between benefits and buying motives
 selling benefits rather than products themselves
Competition and competitors
Raw materials and end products
Ingredients of a sale:
 seller or vendor

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke



Master Consultants Ltd

Growing People, Growing Organizations

products for sale
buyer or customer
Methods of selling:
personal selling
self-selection
mail-order and direct marketing
unsolicited telephone selling
the Internet and websites
The selling transaction:
the five "steps"
Product knowledge
Demonstration of products:
when it is necessary
types of products which might be demonstrated
handling or operating products the stages in a
demonstration
practical examples

Advertising:
primary aims
product advertising:
major reasons why it may be carried out
advertising media:
choosing the best media
types of advertising:
indirect and direct
Sales promotion:
how it differs from advertising
circumstances in which it might be organised
special offers
point of sale
competitions and games
trading or discount stamps
Direct mail:
what it might involve
advantages and disadvantages
Holding "sales" to reduce stocks
Public relations (PR):
how it differs from advertising
discretion in product selection
marketing communications
public relations in practice
marketing public relations (MPR)

Module 8 - The Human Resource

Why people are a "resource" of a business
The business person as a "people manager"

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke



Master Consultants Ltd

Growing People, Growing Organizations

How businesses expand: practical example

the need for “delegation”

delegating in the right way:

matters to observe, attitudes to avoid

practical examples

Organisational structures of businesses:

organisation charts

Managing people

Recruitment:

filling job vacancies

internal recruitment:

personnel already employed

transfers and promotion

external recruitment:

new personnel from outside the business

introductions of new personnel

job analysis

job descriptions

employee specifications

seeking suitable applicants for vacancies:

advertising in the press

advertising on the Internet

Dealing with applications received

Employee interviews:

important aims

adequate preparation

effective conduct for best results:

how best to treat candidates

obtaining and giving information

selection tests

Selection:

the successful candidate:

terms & conditions of employment

trial or probationary period

unsuccessful candidates

Induction:

information needed by a newcomer

introduction to:

the team or work group

the work area and environment

Training:

on-the-job training

Responsibilities of the employer:

health and safety

rates of pay:

time rates

piece rates

commission

employee benefits:

paid holiday or leave

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke



Master Consultants Ltd

Growing People, Growing Organizations

sickness benefit
pension
deductions from pay for PAYE, etc

Module 9 - Financial Matters

The need for control over finances

Forecasting:

- what is involved
- its relationship with planning
- guidance for the future
- anticipating sales

Budgets and budgeting:

- definitions
- the purposes of budgeting:
 - how much money will be needed, and when
 - comparison with income

Overheads:

- fixed and semi-fixed expenses

Working capital:

- circulation of values of current assets and liabilities
- the composition of working capital:
 - the need for "balance"

Importance of liquidity

Limiting factors

Financial accounting:

- the need for complete and accurate accounting
- practical example of:
 - a receipts and payments statement
 - a revenue and expenditure statement
- including all the facts and figures

Profit and loss:

- the difference between them
- why the profit or loss made must be known
- final accounts:

- the profit & loss account:

- what it contains
- net profit or loss

- the balance sheet:

- what it contains
- what it shows

- the trading account:

- why it might be prepared:
- what it contains
- what it shows

Credit and credit control:

- how allowing credit helps:
 - businesses
 - customers

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke



Master Consultants Ltd

Growing People, Growing Organizations

monthly accounts
fixed period of credit
dangers of allowing credit
credit limits:
 setting reasonable limits
 how they work in practice
 controlling credit limits
checks on creditworthiness

Module 10 - Business Documents

Issuing and receiving documents
Descriptions and contents of:
 invoices - illustration
 credit notes - illustration
 statements of account - illustration
 receipts
 delivery notes
Designing documents:
 manual and computer completion
 what information is really needed
 presentation in logical sequence
 sizes of spaces left in printed documents
 sensible arrangement of information
 allowance for filing

Bank Accounts

Why banks are used by businesses
Common types of bank accounts:
 current accounts
 savings accounts
 deposit accounts:
 fixed term or call accounts
 interest paid and charged by banks
 penalties for early withdrawal
Cheques:
 written instructions to the bank
 the features of cheques
 information they contain
 parties to a cheque: drawer or payer, bank, payee
 counterfoils:
 their purposes and what they record
 cheque security, crossing
Telephone banking:
 passwords and customer verification
 services available
 transactions which may be effected by telephone
Online banking:
 passwords and customer verification

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke



Master Consultants Ltd

Growing People, Growing Organizations

services available
transactions which may be effected online

Other methods of paying through banks:

- bank transfers/giros
- bank drafts/money orders

Method by which customers may pay:

- cash

- cheques:

 - cheque cards
 - checking the information

- credit and debit cards:

 - manual and electronic methods

- travellers cheques

- foreign currency:

 - rates of exchange

Banking:

- the paying-in or deposit slip:

 - information it contains

 - the counterfoil or copy

Checking and passing bills for payment:

- the meaning of "bills"

- why bills must be checked carefully to ensure:

 - items charged for were received

 - prices charged are correct

 - discounts have been deducted

 - calculations are correct

 - they have not already been paid

 - values of payments and credit notes have been deducted

Issuing/drawing cheques:

- the need for accuracy: date, amount, payee

- cheque security:

 - steps to be taken to reduce fraud

 - open cheques and crossing

- cash cheques:

 - withdrawing cash from the bank

Module 11 - Recording Transactions

The need for complete and up to date records

- recording each and every transaction

Principles of bookkeeping and accounting:

- accounts records

- books and accounting packages

- entries

- abbreviations

- the ledger and what it records

 - ledger accounts:

 - the receiving and giving aspects

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke



Master Consultants Ltd

Growing People, Growing Organizations

entries in a specimen account examined
balancing
subsidiary books and what they record:
cash book, purchases book, sales book, returns books, journal
the trial balance
computerised bookkeeping & accounting:
the advantages over manual bookkeeping
a computerised account examined
sales account: recording cash sales and credit sales
The trial balance and final accounts:
sundry debtors and creditors
Stocktaking:
why it is carried out and what it involves
the stock list
discrepancies: possible reasons
Stock valuation
Work in progress: valuation
Producing the final accounts
Adjustments:
giving a true and complete picture
prepayments, payments in advance, accruals
depreciation
effects of adjustments:
Drawings:
what they are
how they are shown in the accounts
when to take them
Rate of stock turnover
Petty cash:
the basic method and the imprest method, the float
petty cash book with analysis columns petty cash
vouchers

Module 12 - Export and Import Business

Diversification
Expansion
Reasons why businesses export
Becoming involved in exporting
International trade:
on what it is based
visible trade and invisible trade
balance of payments:
effects of a deficit
government action:
import controls, tariffs, quotas and trade bans
exchange controls
rates of exchange
customs duties
Selecting export markets:

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke



Master Consultants Ltd

Growing People, Growing Organizations

research into:

- local demand, social customs, religious beliefs
- social and economic standards, advertising
- transport, packaging and insurance costs the
- final price on the overseas market

Import Business:

types of businesses involved in importing:

- buying agents
- export houses
- overseas agents or representatives

import considerations:

- import licences or permits
- foreign exchange and controls
- customs clearance and delays

research into and assessment of volume of local demand

types of products to import: industrial, consumer, speciality, intangible
trade marks and patents

the "true" cost of importing

raising funds for importation

risks to consider in importing

sourcing reliable overseas suppliers:

- negotiating prices, discounts, credit terms, guarantees, warranties,
- costs of transport and insurance, customs requirements

Suggestions for further studies

Westcom Point, 2nd Floor, Mahiga Mairu Avenue, Westlands, Nairobi.

P.O.Box 23833-00100 Nairobi, Kenya

Tel: +254 202659865, +254 784 777 662, +254 746 749 569

Website: www.masterconsultants.co.ke

Email: info@masterconsultants.co.ke