

Business Management Strategies for Small and Medium Sized Entities

Presented by
Kashif Maqbool Sehgal
Partner - Zahid Jamil & Co

Sponsored By
SMEDA

ARE YOU ENTERPRENUER OR BUSINESSMAN?



QUALITIES OF ENTERPRENUER

Qualities of Entrepreneurs:

- Self-Discipline
- Integrity
- Persistence
- A Clear Sense Of Direction
- Decisive And Action Oriented



DEFINITION OF BUSINESS MANAGEMENT

“Business Management is the art of knowing what you want to do and than seeing that it is done in the best and optimum way”



PREREQUISITES FOR STARTING A BUSINESS

Following are prerequisite for starting a business:

- 1. Identify you business opportunity**
- 2. Assess your expertise**
- 3. Build a business plan**
- 4. Find startup money**
- 5. Name your business**
- 6. Choose business structure**
- 7. Get your business license/ registration/ certification**



COMPONENTS OF BUSINESS MANAGEMENT

Following are the major components of Business Management:

PHASE I:

1. Formulation of Business Strategy
2. Analyzing Business Environment
3. Analyzing Market Competition

PHASE-II:

1. Establishing and Managing Human Resource
2. Appropriate Financial Management
3. Establishing Appropriate Marketing Strategy

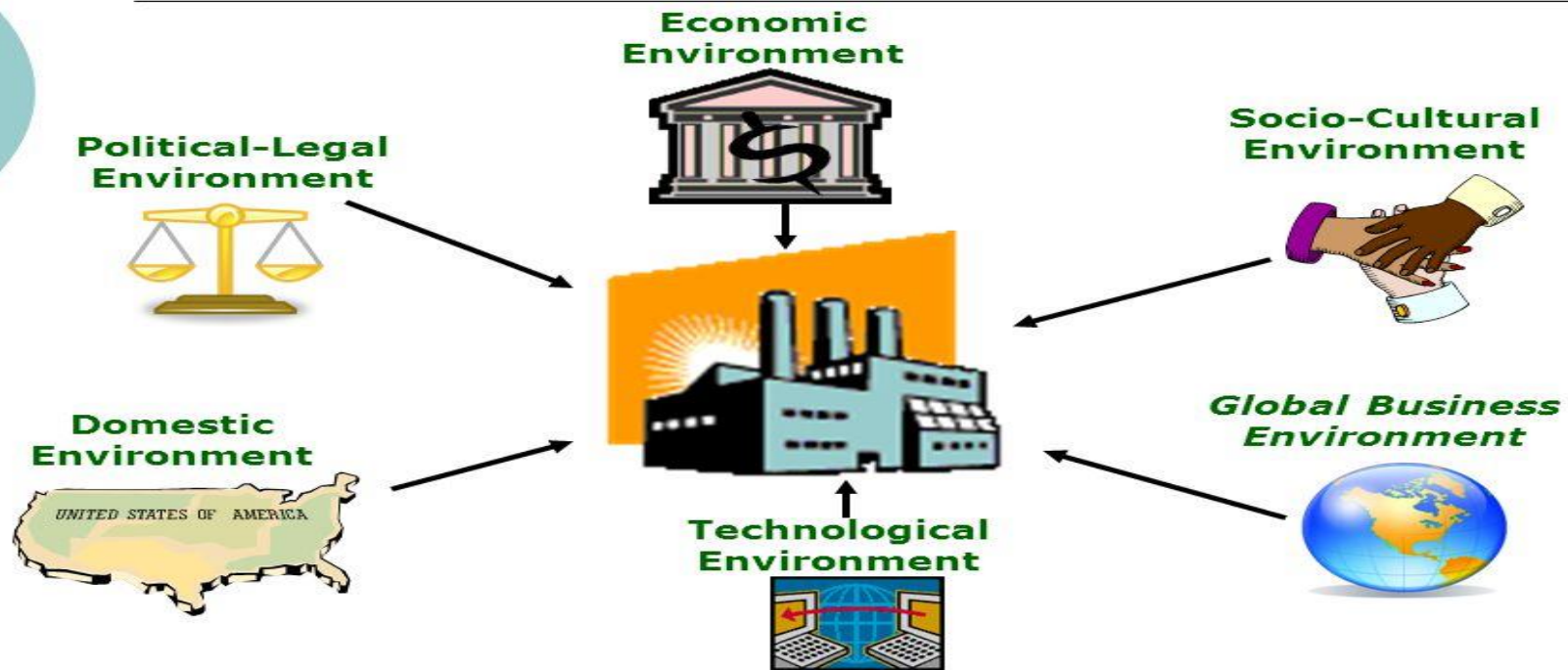


1. BUSINESS STRATEGIES



2. BUSINESS ENVIRONMENT

External Environments of Business



3. MARKET COMPETITION

SWOT ANALYSIS

Strengths

- Strong capital position
- Low debt
- Defensible intellectual property
- Best salespeople

Weaknesses

- Branding could be better
- Products not differentiated enough
- Recent scandal from product failure

Opportunities

- Use strong financial position to make acquisition
- Acquire market share through branding
- Hire more talent

Threats

- Competitors could leverage brand strength
- Lack of differentiation could lead to price war
- May lose talent



4. HUMAN RESOURCE



4. HUMAN RESOURCE

CASE STUDY:

Company A is engaged in business of Trading of General Glossary Items. Mr. X is an employee of Sales Department is very efficient and good in performing his duties. Over past few years, he has been contributed significantly in increase of sales.

SCENARIO I:

There is Vacancy of Senior Manager in Finance Department. Being enthusiastic, CEO of Company A is considering Mr. X for the role of Senior Manager, whether CEO is justified?

SCENARIO II:

If Mr. X is taking market competitive salary in our company, however he got great reputation in market and competitors are trying to offer him handsome amount of salaries. How will you retain him if you got information from reliable sources that significant offer has been made recently by your competitor and Mr. X is considering this offer.

4. HUMAN RESOURCE

SCENARIO I:

Mr. X got great expertise in Sales Department. As Finance function is a different function from sales, **Mr. X shall not be the right person** to be a Senior Manager in **Finance Department** as he lacks the requisite knowledge skills and experience to operate finance department.

SCENARIO II:

Compensation in the form of following may be offered to retain him and increase his commitment and efficiency in Company X:

1. Profit share
2. Commission
3. Promotion
4. Bonus
5. Extra perquisites such as medical facility, company maintained car etc.
6. Annual awards for recognition

5. FINANCIAL MANAGEMENT



5. FINANCIAL MANAGEMENT

CASE STUDY

Mr. Abbas want to invest in business of trading with business capital of PKR. 200,000. Component X will have a purchase price of 1000 per unit. Due to severe competition in the market, its selling price cannot exceed 1100 per unit.

As per his expectation, he can sell maximum 500 units during the period.

Expected fixed costs are :

	in Rs.
Staff salaries	30,000
Utilities	20,000
Rent	15,000
Other associated costs	<u>5,000</u>
	<u>70,000</u>

In this situation, whether you are willing to invest in the business?



5. FINANCIAL MANAGEMENT

CASE STUDY

Expected Sale price	1,100
Cost of purchase	<u>-1,000</u>
Profit per unit	100
No of units sold	<u>x 500</u>
Total Profit	50,000
Fixed Costs	<u>-70,000</u>
Loss	<u><u>-20,000</u></u>

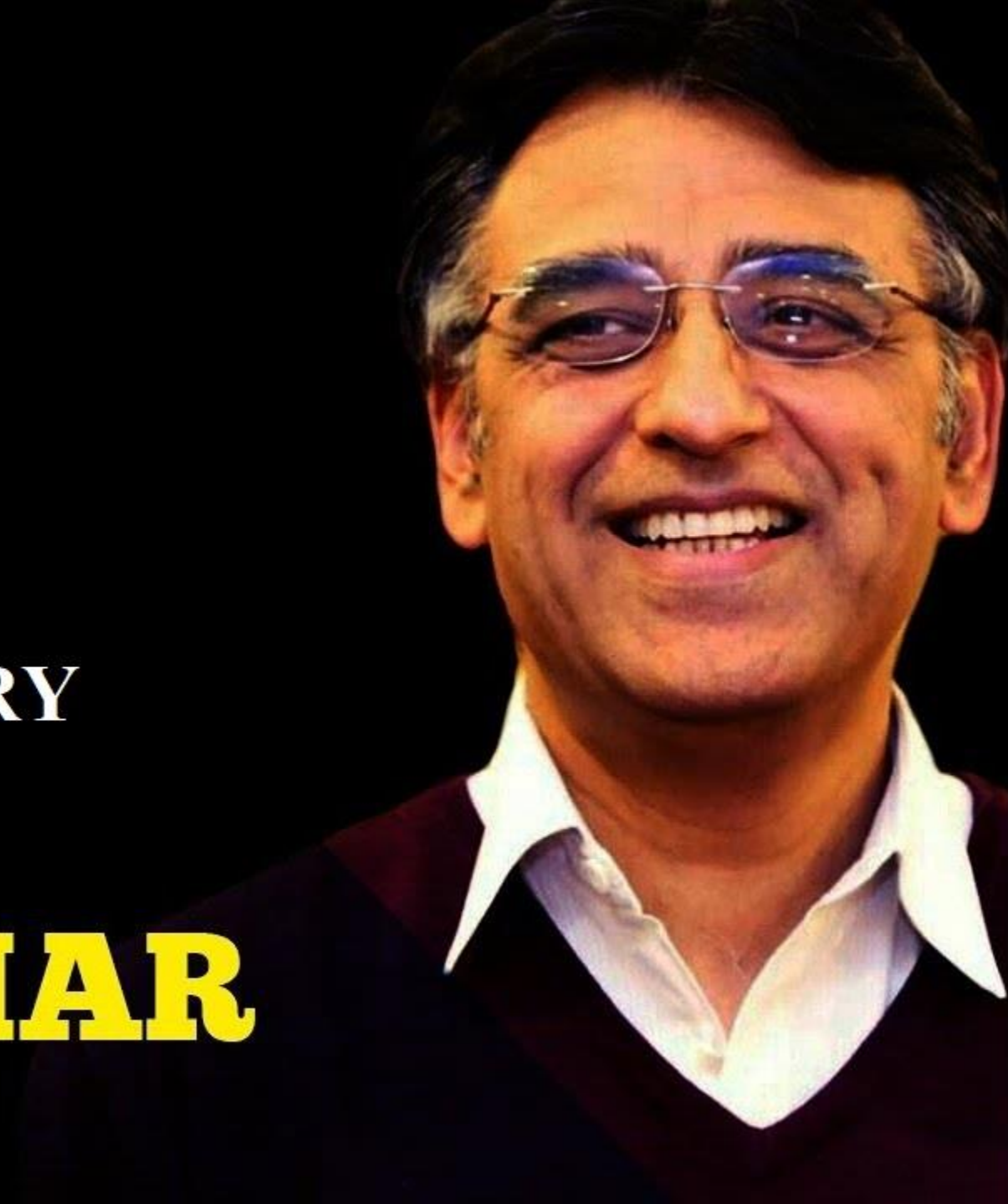
Hence It is not recommended to invest in this business.



6. MARKETING STRATEGY



SUCCESS STORY
OF
ASAD UMAR



Thank
you

