

# **EED 212: Principles of Small Business Management**

(Entrepreneurship and Enterprise Development-focus area II)

*Credits: 3*

*Lecture Hours: 48*

## **Course Objective**

This course aims at familiarizing students with the economic significance of the small business sector, concept of small business management, and the basic principles of different aspects of small business management.

## **Course Description**

This course contains introduction, options for going into business, business plan, legal issues, financing new and growing business, marketing, operations management, human resource issues.

## **Course Details**

### **Unit 1: Introduction**

**LH 4**

Economic significance of the small business sector; Concept of small business – generic definitions and national definition; Differences between small business and large business; advantages and disadvantages of operating a small business; Factors leading to success and failure of small business; Entrepreneur vs. business owner-manager; Small business vs. entrepreneurship.

### **Unit 2: Options for Going into Business**

**LH 3**

Issues to consider before going into business – personal goals and abilities; Starting a new business – advantages of starting a business; Purchasing an existing business; Entering a franchise system – advantages and disadvantages; Comparison of options; Procedural steps when starting a business venture .

### **Unit 4: Business Plan**

**LH 4**

Concept of business plan – advantages and disadvantages of planning; Elements of a business plan; Different types of plans – specificity, length and audience; The business planning process – setting preliminary goals, conducting initial research, confirming goals, conducting subsequent detailed research, writing business plan, critically assessing proposed plan, implementing and evaluating the plan.

### **Unit 5: Legal Issues**

**LH 6**

Legal structures – sole proprietorship, partnership, company, cooperative and trust; Comparing legal structures; Business registration, PAN and VAT registration; obtaining intellectual property rights – procedures for obtaining such rights, contract law, income tax and property tax laws, labor laws and environmental laws.

### **Unit 6: Financing New and Growing Business**

**LH 4**

Need for financial planning; Types of financing – debt and equity; Debt finance – bank overdraft, trade credit, Term loan and leasing; Equity finance – owner's equity, family and friends, business angels, venture capital and publicly raised equity; Alternative sources of finance – debt factoring and discounting.

### **Unit 7: Marketing**

**LH 5**

Concept of marketing; Role of market research; Conducting market research; Marketing process – goal setting and understanding the market; Marketing mix – product or service, promotion, price, placement, people, process and physical evidence; evaluation of marketing.

**Unit 8: Operations Management****LH 6**

Operations as a management process; Physical site factors – premises, location and internal layout; Production process and work flow; Service blue printing – inventory and supply management, and operating equipment; Evaluating, improving and securing operational activities; Procedural systems and quality assurance; Risk management.

**Unit 9: Human Resource Issues****LH 5**

Concept and functions of HRM; HRM as a business strategy; Acquisition of staff – employ or not employ, organization structure, job analysis, setting selection criteria, remuneration and rewards and recruitment sources; Employment contract; Maintenance - orientation and induction, and motivation mechanisms; Performance appraisal; Termination; Regulatory requirements.

**Basic Readings**

1. Schaper, M., Vallery, T. Weber, P. and Lewis, K. *Entrepreneurship and Small Business*. New Delhi: Wiley-India

**Reference Readings**

1. Hatten, S. T. *Small Business Management: Entrepreneurship and Beyond*. Ohio: South-Western Cengage Learning
2. Zimmerer, T. W., Scarborough, N.M. and Wilson, D. *Essentials of Entrepreneurship and Small Business Management*. New Delhi: Pearson Education