CHAPTER

10

IMPLEMENT AN ACTION PLAN FOR A NEW VENTURE

LEAD HR CONSULTING

BUSINESS IN-A-BOX

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The business plan is complete. The capital is secured. The market opportunity is identified. Now comes the hardest part: implementation. Moving from a document to a functioning business requires translating strategies and intentions into specific, time-bound actions with clear responsibilities and measurable outcomes. This final chapter of the Business in a Box programme covers the complete implementation journey: designing and executing the action plan, setting up premises and operational systems, implementing financial management systems, and building a resilient risk management framework that protects the venture and its assets.

By the end of this chapter, you will be able to:

- ✥ Define an action plan and explain why it is the essential bridge between business planning and business execution.
- ✥ Use brainstorming techniques to identify all actions required to establish a new venture.
- ✥ Prioritise actions using a three-phase framework based on urgency, cost, and business necessity.
- ✥ Identify responsibilities and resource requirements for each action in the plan.
- ✥ Apply six timeframe estimation methods: expert judgement, analogous estimating, parametric estimating, bottom-up estimating, three-point (PERT) estimating, and vendor analysis.
- ✥ Set realistic deadlines for scheduled actions and build contingency into the plan.
- ✥ Identify and evaluate suitable business premises for a new venture.
- ✥ Analyse the advantages and disadvantages of leasing versus purchasing business premises.
- ✥ Explain the key legal and safety requirements for business premises under South African law.
- ✥ Set up business telephone systems and computer networks appropriate to the venture's scale.
- ✥ Establish a brand identity for a new venture using ten branding principles.
- ✥ Procure financial, human, and physical resources through a structured supplier evaluation process.
- ✥ Select the most appropriate banking account type for a new venture.
- ✥ Set up a petty cash system using a five-step process.
- ✥ Establish a debt collection system to manage debtor risk.
- ✥ Implement financial control systems for budget, creditors, and stock.
- ✥ Apply screening procedures for debtors including credit checks.
- ✥ Classify the five types of business risk: financial, operational, legal, strategic, and information privacy.
- ✥ Apply four risk treatment strategies: avoid, reduce, transfer, and accept.
- ✥ Establish a physical security system for business premises.
- ✥ Design and implement emergency procedures for a new venture.
- ✥ Select appropriate insurance coverage from the 13 key business insurance types.
- ✥ Develop a business assets protection loss plan.

Section 1: Designing an Action Plan

The business plan describes what the venture will achieve and why. The action plan describes specifically how and when each element of the business plan will be implemented. Without a well-designed action plan, even the most brilliantly conceived business strategy will stall in execution — buried under competing priorities, unclear responsibilities, and the endless urgency of day-to-day operational demands.

1.1 What is an Action Plan?

An action plan is a detailed document that lists every task required to implement the business plan, assigns responsibility for each task, specifies the resources required, sets a timeframe for completion, and establishes a deadline. Think of it as the operational bridge between strategy and execution — the document that converts 'we will establish a new venture' into 'Nomsa will open the bank account at FNB by 15 October; Thabo will design and print the marketing flyers by 22 October; the premises will be fitted out and ready for opening by 1 November.'

The action plan serves four critical functions: 1. Coordination — ensures all team members know what they are responsible for and by when. 2. Priority management — ensures the most critical tasks are done first. 3. Resource planning — ensures all required resources (money, people, equipment) are secured in advance. 4. Progress tracking — provides the baseline against which actual implementation is monitored.

1.2 Identifying Actions Using Brainstorming

Before you can plan, you must identify every action required. The brainstorming technique is the most effective tool for comprehensive action identification — ensuring nothing important is missed in the excitement and complexity of launch preparation.

Types of Brainstorming

Individual brainstorming — done alone, without the social pressure of group dynamics. Most effective for generating a large quantity of raw ideas without self-censorship. The individual can explore unusual or unconventional ideas that might be suppressed in a group setting. Limitation: does not benefit from others' knowledge and experience. Group brainstorming — done collectively, with multiple perspectives contributing. Most effective for developing ideas more fully, identifying gaps, and building shared ownership of the resulting plan. The discipline of following brainstorming rules (no criticism, every idea is welcomed, quantity over quality in the generation phase) is essential for avoiding the 'blocking' effects of group dynamics. Best practice: combine both approaches — individual brainstorming to generate raw ideas without social pressure, followed by group brainstorming to develop, refine, and prioritise the combined list.

Running an Effective Brainstorming Session

Prepare the Environment: Set up a comfortable, well-lit space with flip charts or whiteboards visible to all participants. Ensure all tools (markers, sticky notes) are available. Provide refreshments. Diversity of thinking styles in the group is more valuable than seniority.

Define the Objective Clearly: State exactly what the brainstorming session needs to produce: 'a comprehensive list of every action required to open the business by [date].' Clarity of objective focuses the energy of the session.

Generate Without Evaluation: In the generation phase, all ideas are recorded without criticism, evaluation, or filtering. 'We've already thought of that' and 'that won't work' are prohibited during generation. The purpose is quantity — the evaluation phase follows.

Build and Develop: Once a reasonable quantity of ideas is generated, invite participants to build on each other's ideas. The best brainstorming ideas often come from combining or extending earlier ones.

Organise and Evaluate: After generation is complete, group related actions, remove duplicates, and evaluate each action for feasibility, cost, and priority. Convert the raw list into the organised action plan structure.

Common Action Categories for New Venture Launch

Category	Typical Actions
Legal and Registration	CIPC company registration, SARS tax registration, FICA compliance, industry licences, zoning and building permits, health and safety compliance certification
Financial Setup	Business bank account opening, accounting software selection and setup, petty cash system, invoicing system, payroll setup, tax calendar establishment
Premises and Infrastructure	Lease negotiation and signing, premises fit-out and décor, telephone system installation, internet connectivity, security system installation, parking and signage
Staffing	Recruitment advertising, interviews and selection, employment contracts, orientation and training, HR policy documentation, payroll registration
Procurement	Supplier identification and evaluation, quotation requests, supplier agreements, initial stock and materials ordering, equipment and asset purchases
Marketing and Sales	Brand identity development (logo, colours, fonts), website development, social media profiles, marketing materials design and print, media plan, launch event planning
Technology	Point-of-sale system, accounting software, CRM system, communication tools, data backup systems, cybersecurity measures
Operational Systems	Operating procedures documentation, quality control systems, customer service protocols, complaint handling procedures, inventory management system

1.3 Prioritising Actions — The Three-Phase Framework

Not all actions are equally urgent or equally important. Attempting to do everything at once with limited resources leads to everything being half-done and nothing being fully ready. Prioritisation ensures that the most critical actions — those without which the business literally cannot open or cannot generate revenue — are completed first, even when resources are constrained.

Two criteria drive prioritisation: necessity (can the business open and operate without this action being completed?) and cost (how much resource is required?). Use a three-phase framework:

Phase 1 — Non-Negotiable Prerequisites

Actions that must be completed before the business can open or generate any revenue. These are the legal, financial, and operational foundations without which everything else is impossible:

Examples: legal registration (the business cannot operate without being legally registered), tax clearance and banking (essential for any commercial transaction), premises lease and basic fit-out (cannot operate without a place), minimum viable product or service readiness (cannot sell without something to sell), required licences (fines and closure result from operating without required permits).

Phase 1 actions should be started immediately and monitored daily. No Phase 2 actions should begin until Phase 1 actions are on track — resource conflicts with non-negotiable prerequisites are the most common cause of launch delays.

Phase 2 — Important but Not Immediate Prerequisites

Actions that are important for the business's success but do not prevent it from opening. These can be completed in the first 30-90 days of operation:

Examples: professional website (a basic web presence can be achieved quickly; a polished website takes longer), full marketing collateral suite (initial marketing can begin with minimal materials), complete operational systems documentation (basic processes can be documented while operating), all staff recruitment (the founding team can cover initial operations; additional hires follow).

Phase 3 — Desirable but Deferrable

Actions that improve the quality, efficiency, or professionalism of the business but can be deferred without preventing operation or compromising revenue generation:

Examples: staff uniforms and branded workwear, comprehensive training programmes, advanced technology systems, non-essential facility enhancements, secondary market development, premium branding elements.

1.4 Identifying Responsibilities and Resources

Every action in the plan must have a specific named owner — not 'the team' or 'management' but a specific individual who is accountable for completion. Shared accountability is no accountability. Once ownership is assigned, identify the resources required:

◆ Labour resources: identify every role involved — full-time, part-time, contracted. For each role, specify the skills required and the time commitment.

◆ Equipment resources: list every piece of equipment required, whether to purchase or lease, and by what date it must be available.

◆ Material resources: list every consumable or structural material required, the quantity, the source, and the procurement lead time.

◆ Financial resources: calculate the cost of all resources for each action and confirm that the budget is available and approved.

1.5 Setting Timeframes and Deadlines

Realistic timeframes require more than intuition. Six estimation methods support rigorous duration planning:

Expert Judgement: Consult practitioners who have completed similar tasks in comparable contexts. A contractor who has fitted out five retail stores will estimate the fit-out duration far more accurately than an entrepreneur doing it for the first time. Always use practitioners, not theorists, for duration estimates.

Analogous Estimating: Use the actual duration from comparable previous tasks as the basis for the current estimate. Adjustments for scale, complexity, and context differences are applied to the historical baseline. Simple, fast, and generally reliable when a genuinely comparable precedent exists.

Parametric Estimating: Apply a mathematical relationship between a measurable variable and duration. Construction: cost per square metre × area = total cost estimate. Software: lines of code × hours per 1,000 lines = development hours. Appropriate when a statistically valid relationship between the variable and duration has been established from historical data.

Bottom-Up Estimating: Decompose the task into all its component sub-tasks, estimate each sub-task duration independently, then aggregate. Most accurate but most time-consuming estimation method. Appropriate for complex, high-stakes tasks where precision matters.

Three-Point (PERT) Estimating: Calculate a weighted average using three scenarios: Optimistic (everything goes right), Pessimistic (everything goes wrong), and Most Likely (expected under normal conditions). Formula: Expected Duration = (Optimistic + 4×Most Likely + Pessimistic) ÷ 6. Explicitly captures uncertainty and produces a more realistic estimate than a single-point estimate.

Vendor Analysis: For tasks dependent on external suppliers, request formal quotations that include delivery timeframes. The supplier's committed timeline becomes the basis for scheduling. Obtain at least two quotes and build buffer time for supplier delays.

Sample Action Plan Template

Phase	Action	Owner	Resources Required	Duration	Deadline
Phase 1	Open business bank account	Owner	Company documents, ID, R500 opening deposit	3 days	Week 1
Phase 1	Register with SARS for income tax and VAT	Accountant	Company docs, lease, accountant fee R2,500	5 days	Week 2
Phase 1	Negotiate and sign premises lease	Owner + Attorney	Deposit (2 months rent), legal fee R3,000	7 days	Week 2
Phase 1	Design marketing flyers and brochure	Marketing (Thabo)	Graphic designer R4,500; printing R2,000	5 days	Week 3
Phase 2	Build and launch business website	Web developer	Web developer fee R15,000; domain R1,200/yr	14 days	Week 6
Phase 2	Recruit and onboard sales representative	Owner + HR	Job advertising R3,000; 3 weeks training	21 days	Week 8
Phase 3	Design and order staff uniforms	Owner	Uniform budget R8,000	10 days	Month 3

Section 2: Setting Up Premises and Operational Systems

The physical and operational infrastructure of the business — premises, systems, technology, brand, and supply chain — are the foundation on which the customer experience is built. Getting these right from launch sets the business up for efficient growth; getting them wrong creates a drag on performance that is difficult and expensive to correct later.

2.1 Selecting Business Premises

Location is a strategic decision with long-term commercial consequences. The right premises attract customers, enable efficient operations, and support the brand image. The wrong premises create structural disadvantages that no amount of marketing can fully overcome. Key criteria to evaluate:

Target Customer Proximity and Access: The premises must be accessible to your target customers — whether that means high street retail footfall, convenient parking for drive-to customers, proximity to industrial areas for B2B service businesses, or a home office for predominantly digital businesses. Visit the location at different times of day and on different days of the week to assess actual foot traffic and access conditions.

Zoning and Regulatory Compliance: Verify with the local municipality that the premises are correctly zoned for your intended use. Operating a business in a residentially-zoned property without a home occupation permit is illegal and can result in closure, fines, and difficulty selling the property. Zoning compliance is non-negotiable.

Available Labour Force: For businesses requiring staff, the premises must be accessible to the type of employees you need. Consider public transport routes (which most South African employees rely on), travel time from residential areas where your target employee demographic lives, and the safety of travel to and from work.

Competitive Context: Counter-intuitively, proximity to competitors is often advantageous — competitors have proved there is sufficient demand in the area, and customers comparison-shop by visiting multiple providers. Being far from competitors may mean you are far from your customers.

Physical Suitability: Does the space accommodate the required layout? Is there adequate storage? Are the utilities (electricity, water, internet) adequate? Is the loading and delivery access suitable? What are the condition, age, and maintenance implications of the building?

Cost and Affordability: Rent should not exceed 10-15% of projected monthly revenue for most retail and service businesses. Higher rent ratios create structural pressure on profitability that is difficult to overcome through sales alone.

2.2 Leasing versus Purchasing Premises

The decision to lease or purchase business premises has long-term financial, operational, and strategic implications. Most new ventures lease rather than purchase because of the capital constraints of the start-up phase, but the decision should be made on its full merits:

Leasing Premises

Advantages of Leasing	Disadvantages of Leasing
✓ No large upfront capital commitment — preserving cash for operational needs	✗ Rental payments create no equity or asset value for the business
✓ Fixed monthly payment enables predictable cash flow planning	✗ Exposure to rent increases at lease renewal
✓ Flexibility to relocate as the business grows or market conditions change	✗ Risk of lease not being renewed, forcing relocation
✓ No exposure to property value decline	✗ Landlord's consent required for modifications to the premises
✓ Maintenance obligations typically borne by the landlord (for structural elements)	✗ VAT registration typically required for commercial lease agreements
✓ Tax-deductible lease payments	
✓ Technology/equipment leases allow upgrades at lease end	

Purchasing Premises

Advantages of Purchasing	Disadvantages of Purchasing
✓ Builds an asset — property typically appreciates over time	✗ Substantial deposit required (typically 20-30% of purchase price)
✓ Mortgage payments similar to rent but build equity	✗ Capital tied up in property cannot be deployed in the business
✓ No risk of lease non-renewal or forced relocation	✗ Difficulty relocating if business needs change
✓ Freedom to modify and improve the premises	✗ Full responsibility for maintenance, repairs, and insurance
✓ Interest payments tax-deductible; depreciation claimable	✗ Exposure to interest rate increases (variable rate mortgage)
✓ Can be sub-let if spare capacity exists (with lender approval)	✗ Property values can decline, reducing the asset's worth

Negotiating the Lease

A commercial lease is a long-term, legally binding commitment with major financial implications. Key terms to negotiate:

Rental escalation: Annual rent increases should ideally be capped at CPI (Consumer Price Index) inflation. Many landlords propose 8-10% annual escalations — which can make the premises unaffordable within 5 years.

Lease term and renewal option: A shorter initial term (2-3 years) with renewal options at defined terms gives the tenant flexibility while providing the landlord security. Ensure renewal options are at pre-agreed escalation rates, not market rates at the time of renewal.

Tenant installation allowance: Many landlords will fund some or all of the tenant's fit-out costs in exchange for a longer lease commitment. This is worth negotiating, as it can save R100,000+ in upfront capital.

Break clause: A right to terminate the lease before the end of the term (subject to notice and sometimes a penalty) provides a safety valve if business conditions change materially.

Subletting rights: The right to sublet surplus space to other tenants can generate income if the business is smaller than anticipated. Most leases restrict subletting without landlord consent — negotiate this upfront.

2.3 Legal and Safety Requirements for Premises

Before moving into business premises, the following legal and safety requirements must be addressed. Failure to comply can result in fines, closure orders, or personal liability for injury or damage:

Occupational Health and Safety Act (OHSA): Every employer must ensure the health and safety of all employees and all persons who enter the workplace. Key requirements: a documented workplace health and safety policy, a designated safety representative for businesses with more than 20 employees, a workplace safety risk assessment, proper maintenance of all equipment, adequate fire safety equipment (extinguishers, smoke detectors, emergency exits), and incident reporting procedures.

Building Compliance: Business premises must have a valid Certificate of Occupancy from the local municipality confirming the building complies with all applicable building regulations. Modifications and renovations require building plan approval and a Certificate of Compliance from a registered professional.

Fire Safety: The local fire department must inspect and approve the premises. Requirements include: adequate number and type of fire extinguishers, clearly marked and unobstructed emergency exits, functional fire doors, smoke detectors and alarms, and an emergency evacuation plan with staff training.

Disabled Access: The National Building Regulations require that new and substantially renovated commercial buildings provide access for persons with disabilities, including wheelchair ramps, appropriate signage, and accessible facilities.

Insurance: Business premises must be covered by adequate insurance: building insurance (if you own the property), contents insurance (equipment, stock, and furniture), public liability insurance (claims by visitors injured on your premises), and business interruption insurance (loss of income if you cannot trade due to fire, flood, or other insured event).

2.4 Setting Up Operational and Communication Systems

A functional business requires functional operational systems. The minimum operational infrastructure for most new ventures:

Business Telephone System

Even in the age of mobile phones, a dedicated business telephone number is essential for credibility and customer service. Options by business size:

Micro businesses (1-5 employees): a dedicated business mobile number (separate from the owner's personal phone) with a professional voicemail greeting and WhatsApp Business profile is often adequate.

Small businesses (5-20 employees): a VoIP (Voice over Internet Protocol) business phone system routes calls through an internet connection, supporting multiple extensions, call forwarding, and professional automated greetings at a fraction of the cost of traditional landline systems. Providers like Euphoria Telecom, 1stream, and 3CX offer cloud-based VoIP solutions from R300-R800 per month.

Medium businesses (20+ employees): a full PBX system with dedicated handsets, receptionist console, and advanced call routing. Higher upfront cost but more robust and feature-rich than VoIP for complex call management needs.

Computer Network and Internet

A reliable high-speed internet connection is the foundation of modern business operations. Key decisions:

Internet service: fibre-to-the-business (FTTB) where available (fastest and most reliable); LTE/5G fixed wireless as an alternative in areas without fibre; ensure adequate bandwidth for all planned users and applications simultaneously.

Network infrastructure: a Wi-Fi router for small offices; a managed network switch and professional Wi-Fi access points for larger premises with multiple users. Separate guest Wi-Fi from staff Wi-Fi for security.

Cybersecurity: business-grade antivirus and firewall software, strong password policies, regular data backup (both local and cloud), and staff training on phishing and social engineering threats. Cybercrime costs South African businesses billions of rands annually — most attacks target small businesses that are perceived as easy targets.

Business Software

Core software infrastructure for a new venture: accounting software (Xero, Sage One, QuickBooks — essential for financial management), customer relationship management or CRM (HubSpot free tier, Zoho CRM — for managing customer data and sales pipeline), project management (Trello, Asana, or Microsoft Teams — for coordinating team work), communication (Microsoft Teams, Slack, or Google Workspace — for internal collaboration and external email), and point-of-sale system for retail businesses (Lightspeed, iKhokha, Yoco — for accepting payments and managing inventory).

2.5 Establishing a Brand for the New Venture

A brand is the sum of all perceptions, associations, and feelings that exist in the mind of a customer when they think of a business. It is not just the logo — it is the entire experience of doing business with the company. Strong brands command price premiums, generate loyalty, attract better employees, and enable faster growth. Building a strong brand from launch is one of the highest-return investments a new venture can make:

Define Your Brand Before You Design It: Before commissioning a logo or website, clearly articulate: what the brand stands for (values), who it serves (target customer), what makes it different (competitive positioning), and what experience it promises (brand promise). The visual identity should express these choices, not precede them.

Think of the Brand as a Person: What personality would your brand have if it were a person? Warm and approachable, or authoritative and expert? Playful, or serious? Traditional, or innovative? Defining the brand personality shapes every communication — from how staff answer the phone to how social media posts are written.

Consistency Across All Touchpoints: A brand is experienced across dozens of touchpoints: the website, the business card, the email signature, the staff uniform, the packaging, the receipt, the social media profile, the way the phone is answered, and the after-sales follow-up. Consistency across all touchpoints builds recognition and trust.

Build for Your Target Customer, Not Your Own Taste: The brand must resonate with your target customer, not with your personal aesthetic preferences. Research what visual styles, language registers, and value statements your target customer finds credible and appealing — and design accordingly.

Protect Your Brand Legally: Register your business name and logo as a trademark with CIPC. An unregistered brand can be used by competitors who register it first, creating a legal requirement to rebrand — an extraordinarily expensive and disruptive event. Trademark registration costs approximately R3,000-R8,000 and provides nationwide protection.

2.6 Procuring Resources

Once the business is registered, premises are secured, and systems are in place, resources must be procured. A structured procurement process protects the business from poor quality suppliers and unfavourable pricing:

Identify Requirement: Define precisely what is needed: specification, quantity, quality standard, required delivery date, and budget.

Identify Potential Suppliers: Use multiple sources: recommendations from trusted business contacts (most reliable), industry directories (Yellow Pages, trade association supplier lists), trade magazines, and online searches. Build a shortlist of 3-5 candidates for each significant purchase.

Evaluate and Select: Evaluate suppliers against: quality of product/service (samples, references, site visits), reliability and financial stability (credit checks, references from existing customers), price (including total cost of ownership, not just unit price), and service (responsiveness, communication, after-sales support).

Negotiate Terms: For recurring or high-value purchases, negotiate: price, payment terms, delivery schedule, minimum order quantities, volume discount tiers, and exclusivity arrangements. Document agreed terms in a written supplier agreement.

Monitor Performance: Regularly assess supplier performance against agreed standards. Address performance failures promptly and constructively. Develop alternative suppliers for critical inputs to avoid single-supplier dependency risk.

2.8 Setting Up Human Resource Systems

People are the most important asset of any service or knowledge business — and the most complex to manage. Establishing proper HR systems from launch protects the business legally, builds a productive team culture, and enables the business to attract and retain the talent it needs to grow:

Employment Contracts: Every employee must have a written employment contract that specifies: job title and description, remuneration (salary/wage, bonuses, benefits), working hours, leave entitlement (as per the BCEA: 21 consecutive days annual leave, 6 days sick leave per cycle), notice period, and grounds for dismissal. A contract that complies with the Basic Conditions of Employment Act (BCEA) and the Labour Relations Act (LRA) protects both the employer and the employee. Never employ anyone without a signed, compliant employment contract.

Employee Onboarding: A structured onboarding process for new employees: FICA identity verification, tax (IRP5) registration, UIF registration, completion of the employee's PAYE tax directive, banking details for payroll, safety induction, brand and values introduction, and role-specific training. Employees who feel properly welcomed and equipped from their first day are significantly more likely to stay and perform well.

Performance Management: A simple, consistent performance management system enables the business to: set clear expectations, provide regular feedback, recognise excellent performance, address poor performance constructively, and make informed compensation decisions. For small businesses, a quarterly conversation between manager and employee reviewing goals, achievements, and development is far more valuable than an elaborate annual review process.

Disciplinary and Grievance Procedures: The LRA requires that disciplinary action be fair (substantively justified) and procedurally correct (following a fair process). Dismissal without a disciplinary hearing is automatically unfair. Every business must have a documented disciplinary code specifying offences and their consequences, and a documented disciplinary procedure. Similarly, a grievance procedure ensures employees have a formal channel to raise concerns without fear of retaliation.

Leave Management: Track all leave taken against each employee's entitlement using a simple leave register or accounting/HR software. Employees accumulate leave entitlement that must be paid out on termination — leave liabilities that are not tracked become a financial surprise on exit.

Section 3: Implementing Financial Systems

Financial management systems are the control infrastructure of the business — the tools and processes that ensure money is received, recorded, controlled, and protected. Without adequate financial systems, even a profitable business can fail due to fraud, cash flow mismanagement, or regulatory non-compliance.

2.9 Technology as a Competitive Enabler

Technology investments that would have cost a large enterprise hundreds of thousands of rands a decade ago are now available to small businesses for a few hundred rands per month. The entrepreneur who leverages these tools effectively competes with resources and capability that were previously unavailable at any price:

Cloud Accounting and Financial Management: Xero, Sage Business Cloud, and QuickBooks Online provide full accounting functionality — invoicing, bank reconciliation, expense tracking, payroll, VAT returns, financial reporting — for R200-R600 per month. These platforms connect directly to South African bank accounts for automated transaction feeds, saving hours of manual data entry and dramatically reducing the risk of bookkeeping errors.

E-Commerce and Online Sales: Building an online revenue channel is now accessible to any business with a product or service that can be sold or booked online. Shopify (from R300/month) provides a complete e-commerce platform including payment processing, inventory management, and marketing tools. For service businesses, Calendly or Acuity Scheduling automates appointment booking, reducing administrative load and capturing bookings 24/7.

WhatsApp Business as a Customer Channel: WhatsApp is South Africa's dominant digital communication channel — more than 90% of smartphone users use it daily. WhatsApp Business enables businesses to: maintain a professional business profile with hours, location, and catalogue; use automated greetings and away messages; send broadcast updates to opted-in customers; and process orders and customer service queries at scale. This is the single highest-impact, lowest-cost digital tool available to most South African SMEs.

Artificial Intelligence Tools: AI tools like Claude (Anthropic), ChatGPT (OpenAI), and Canva AI are transforming small business productivity. AI can draft marketing copy, respond to customer email templates, analyse financial data, generate business plan content, create social media content, and provide research support in minutes — tasks that previously required expensive specialist professionals. The entrepreneur who learns to use these tools effectively has access to a capability that was previously unaffordable.

3.1 Selecting the Right Banking Product

A business bank account is the foundational financial infrastructure of any formal business. The right account type depends on the nature of the business and its transaction volumes:

Business Current Account (Cheque Account): The primary operating account for all business transactions: receiving customer payments, paying suppliers, managing payroll, and settling VAT and tax obligations. Look for: low transaction fees (or a transaction bundle that matches your expected volumes), a dedicated relationship banker for business accounts, overdraft facility availability, integration with accounting software (Xero, Sage) for automated bank feeds, and mobile banking and payment functionality. All four major South African commercial banks (ABSA, FNB, Nedbank, Standard Bank) offer business current accounts with broadly similar features — compare fee schedules carefully, as they vary significantly.

Business Savings Account: For accumulating funds earmarked for specific future purposes: tax obligations (save the estimated tax liability monthly so it is available when due), equipment replacement reserves, growth investment, and emergency liquidity. Higher interest rates than current accounts reward discipline in separating operating and reserve funds.

Merchant Account and Payment Processing: For businesses accepting card payments, a merchant account enables card payment processing. South African options: traditional bank merchant accounts (ABSA, FNB, Nedbank, Standard Bank — more reliable but higher fees and longer setup time); mobile card payment devices (Yoco, iKhokha, PayFast — faster setup, competitive fees of 2.75-3.5% per transaction, excellent for small businesses).

3.2 Setting Up a Petty Cash System

Every business needs a controlled method for managing small, day-to-day cash expenditures — postage, tea and coffee, small stationery purchases, taxi fares for minor errands. The petty cash system provides this without requiring every small expense to go through the full bank payment process:

Step 1: Establish Policy: Document what qualifies as a petty cash expense (and what does not), the maximum single transaction that can be paid from petty cash (typically R200-R500), who has authority to approve and disburse petty cash, and what documentation is required for each disbursement.

Step 2: Set the Float Amount: Determine the appropriate float — the amount kept in petty cash at all times. Too small requires constant replenishment; too large creates unnecessary security risk. R500-R2,000 is appropriate for most small businesses, replenished weekly or when the balance falls below 20% of the float amount.

Step 3: Secure Storage: A locked metal cash box kept in a locked drawer or small safe. Limit key holders to 2-3 designated and trusted employees. More key holders increases theft risk.

Step 4: Document Every Transaction: Every disbursement must be recorded: employee name, date, amount, purpose, and supporting receipt. Use a numbered voucher system or a simple sign-out sheet. The cash balance plus the total of receipts must always equal the original float amount.

Step 5: Reconcile and Replenish Regularly: At least weekly (or whenever the float falls below the threshold), reconcile: count the cash, total the receipts, verify that cash + receipts = float amount. Any discrepancy must be investigated immediately. Replenish the float by processing a cheque payment to 'Petty Cash' through the main accounts.

3.3 Financial Control Systems

Financial control systems protect business assets from fraud, error, and misuse, and ensure that financial reporting accurately reflects the business's position:

Budget Control: A budget is the financial plan — every category of income and expenditure projected for the period. The budget control system compares actual results against budget monthly, investigates significant variances, and takes corrective action when actual spending deviates materially from plan. One person must have designated authority to approve all unbudgeted expenditure.

Debtor Management System: A systematic approach to collecting money owed by customers: raise invoices promptly; issue statements at the end of each month; make personal contact (by phone, not just email) when payment is 7 days overdue; escalate to a formal demand letter at 30 days; refer to a debt collector or small claims court at 60 days. An accounts receivable ageing report (showing all debtors by age of debt) must be reviewed weekly.

Creditor Management System: Pay suppliers according to agreed terms — not later (which damages relationships and credit facilities) and not earlier (which wastes cash). Review the creditor ageing monthly and flag any approaching overdue payments. Take maximum allowed credit terms without breaching agreed terms.

Stock Control System: Maintain stock levels sufficient to meet anticipated demand without excessive working capital tied up in slow-moving inventory. Regular stock counts (monthly at minimum) verified against accounting records identify shrinkage (theft or spoilage). Implement FIFO (First In, First Out) stock rotation to minimise expiry and obsolescence.

Fraud Prevention Measures: Segregation of duties — the person who receives cash should not also record it; the person who approves payments should not also prepare them. Regular unannounced reconciliations. Independent review of bank statements by the owner or a director. Background checks on employees handling cash or authorising payments.

3.4 Debtor Screening Procedures

Extending credit to customers is a commercial decision with financial risk. Every customer who buys on credit is a customer who may not pay. Effective debtor screening reduces bad debt while enabling the business to build customer relationships through credit facilities:

Credit Application Form: Before extending credit, have the customer complete and sign a formal credit application capturing: full legal name and registration details (for companies), physical and postal addresses, contact persons and details, banking details, 3 trade references with contact information, and authorisation for a credit check. The signed application contains the customer's agreement to the credit terms.

Credit Reference Check: Contact all supplied trade references and ask: How long have you supplied this customer? What is their credit limit with you? Do they pay on time? Have they ever defaulted or had a dispute? The answers reveal the customer's actual payment behaviour more reliably than any document they supply.

ITC/TransUnion Credit Check: For significant credit limits, run a formal credit bureau check through ITC (Credit Bureau) to identify judgements, defaults, and adverse credit history. The cost (R50-R200 per check) is trivial relative to the bad debt risk it prevents.

Setting Credit Limits: Based on the application and references, set an appropriate credit limit — the maximum amount the customer may owe at any point. The limit should reflect: the customer's demonstrated payment capacity, their importance to the business, and your own cash flow tolerance. Review and adjust credit limits at least annually.

Monitoring Ongoing Credit Behaviour: Monitor every customer account's payment pattern continuously. A customer who always paid on 30 days but is now routinely at 60 days is showing a distress signal. Act early — when a good account starts deteriorating, it is far easier to recover the relationship (and the debt) than once it has fully defaulted.

3.6 Managing Cash Flow — The Lifeblood of the Business

More businesses fail from cash flow problems than from unprofitability. A business can be profitable on paper while simultaneously running out of cash — because profit is measured when revenue is earned and costs incurred, while cash flow is measured when money actually moves. The following cash flow management disciplines are non-negotiable for survival:

Collect faster than you pay: Minimise debtor days (the average time customers take to pay) by: invoicing immediately on delivery, offering early payment discounts, following up on overdue invoices systematically, and requiring deposits on large orders. Simultaneously, take full advantage of supplier credit terms — pay on the last day allowed, not the first.

Maintain a 13-week cash flow forecast: A rolling 13-week (3-month) cash flow forecast, updated weekly, shows the cash position for the next quarter. This is enough lead time to take action — arranging a short-term facility, accelerating collections, or delaying discretionary spending — before a cash gap becomes a cash crisis.

Build a cash reserve: Maintain a minimum of 3 months of operating expenses as a cash reserve in a dedicated savings account. This buffer absorbs seasonal troughs, slow-paying customers, and unexpected costs without forcing the entrepreneur to make desperate business decisions under financial pressure.

Understand the cash conversion cycle: The cash conversion cycle measures how long it takes to convert an investment in inventory and operations into cash receipts from customers: Days Inventory Outstanding + Days Sales Outstanding – Days Payable Outstanding. A shorter cash conversion cycle means the business needs less working capital to sustain the same revenue level.

Section 4: Risk in New Ventures

Every business faces risk. The entrepreneur who pretends otherwise is not being optimistic — they are being reckless. Risk management is not about avoiding risk (which would make business impossible) but about identifying risks early, assessing their likelihood and impact, and implementing cost-effective measures to reduce their probability or limit their consequences.

4.1 Types of Business Risk

Business risks can be classified into five main categories. Understanding the category of a risk guides the appropriate management response:

Risk Category	Description and SA-Specific Examples

Financial Risk	Risks that threaten the business's financial position: customer default on payments (bad debt), fraud or embezzlement by employees, theft of cash or assets, interest rate increases (for variable-rate debt), exchange rate movements (for import/export businesses), and insufficient cash flow to meet obligations. South Africa-specific financial risks include load-shedding costs, BEE compliance costs, and the impact of economic volatility on customer purchasing power.
Operational and Environmental Risk	Risks that disrupt the business's ability to operate: equipment breakdown, IT system failure, data loss, supply chain disruption (key supplier fails or cannot deliver), fire, flood, or theft causing physical damage, loss of key staff (illness, resignation, death), and natural disasters. Load-shedding is a uniquely prominent operational risk for South African businesses that must be explicitly managed in every operational risk plan.
Legal Risk	Risks arising from legal obligations and potential legal action: employment disputes (unfair dismissal claims, harassment allegations), contractual breaches (failure to deliver on time or to specification), consumer protection complaints, intellectual property infringement, environmental compliance failures, and regulatory breaches in licensed sectors.
Strategic Risk	Risks to the business's strategic position: new competitor entry, technology disruption of the business model, shifts in customer preferences, market contraction, loss of a key customer or supplier, and strategic decisions that prove incorrect (entering a wrong market, acquiring a loss-making business, over-investing in a declining technology).
Information Privacy Risk	Risks related to the business's handling of personal information under the Protection of Personal Information Act (POPIA): unauthorised access to customer or employee data, cyber breaches exposing personal information, failure to comply with data subject rights (access, correction, deletion), and insufficient data security measures. POPIA non-compliance can result in significant fines and reputational damage.

4.2 Risk Treatment Strategies

Once a risk is identified and assessed, one of four treatment strategies is selected:

Avoid the Risk: Decide not to undertake the activity that creates the risk. If the risk of a particular product line, market, or supply arrangement is unacceptable, simply don't pursue it. Risk avoidance is often the right answer when the potential downside exceeds the potential upside.

Reduce the Risk: Implement measures that reduce either the probability of the risk occurring or the severity of the impact if it does: quality control processes, maintenance programmes, diversification of customer or supplier base, staff training, security measures, regular data backup, and compliance programmes.

Transfer the Risk: Shift some or all of the financial consequences of the risk to a third party. Insurance is the most common risk transfer mechanism. Outsourcing certain activities transfers operational risks to the outsource provider. Joint ventures and partnerships share risks with other parties.

Accept the Risk: Some risks are too small to justify the cost of reducing or transferring them. Others cannot be avoided, reduced, or transferred at acceptable cost. For these risks, accept them and make plans for managing the consequences if they materialise — building financial reserves, maintaining contingency plans, and monitoring for early warning signals.

4.3 Physical Security Systems

Physical security protects business assets, employees, and customers from crime and theft. The appropriate security investment depends on the assessed threat level for the specific location and business type:

Access Control: Limit access to the premises to authorised persons: deadbolt locks on all external doors, electronic access control (key cards or fob systems) for larger premises, a visitor sign-in register, and CCTV cameras at all entry points. Issue as few keys as possible; change locks when keys are lost or when employees with key access leave the business.

CCTV Systems: Strategically positioned cameras covering: all external entry and exit points, cash handling areas (till points, safes), stock storage areas, loading bays, and parking areas. Digital recording systems should retain footage for at least 30 days. The presence of visible cameras deters opportunistic theft and provides evidentiary footage for incident investigation.

Alarm Systems: A professionally monitored alarm system with motion sensors, door and window contacts, and panic buttons. Armed response contracts provide a rapid physical response when alarms are triggered. In South Africa, armed response is standard practice for any business with significant stock, cash, or equipment on premises.

Safe and Cash Management: All cash in excess of day-to-day change float should be secured in a floor-mounted or wall-anchored safe. Bank cash daily, minimising the amount kept on premises overnight. Use tamper-evident cash bags for cash transit. Never establish predictable cash transit patterns.

Staff Security Training: Train all staff on: recognising and reporting suspicious behaviour, not discussing cash holdings or security procedures with customers or strangers, safe cash handling procedures, what to do in a robbery (comply immediately — no cash is worth a human life), and how to report incidents. Staff are the first line of security — and the most common vector for internal theft.

4.4 Emergency Procedures

Every business must have documented emergency procedures that are known by all staff and tested regularly. Emergencies in a business context include: fire, robbery/armed robbery, medical emergency, bomb threat, IT system failure, data breach, flood or storm damage, and extended power failure. For each emergency type, the procedure must specify:

◆ Who is responsible for managing the emergency (Emergency Controller and designated deputies)

◆ How to raise the alarm and notify the relevant emergency services (South African emergency numbers: Police 10111, Fire/Ambulance 10177, combined emergency 112)

◆ The immediate actions to take to protect life (evacuation routes, assembly point, headcount procedure)

◆ How to contain and limit the damage (fire extinguisher use, data backup procedures, cash lockdown)

◆ Who to contact in the business management chain (owner, directors, insurers)

◆ How to communicate with customers, suppliers, and employees during the emergency

◆ Recovery procedures — how to restore operations as quickly as possible

Critical Practice: Emergency procedures must be more than a document. Conduct a fire drill at least annually. Brief all new employees on emergency procedures during onboarding. Post emergency contact numbers and evacuation routes in visible locations throughout the premises. Test the alarm system monthly. Practise does not make perfect — practise makes automatic. In a real emergency, people do what they have practised, not what they have read.

4.5 Business Insurance — The Essential Coverage Framework

Insurance is the most efficient risk transfer mechanism available to most small businesses. The following insurance types are most relevant to South African new ventures. The specific coverage required depends on the nature of the business, the assets at risk, and the regulatory requirements of the sector:

Insurance Type	Coverage and Relevance
Business Owner's Policy (BOP)	A packaged policy that bundles several essential coverages at a discount compared to purchasing them separately. A standard BOP typically includes: commercial property insurance, general liability insurance, and business interruption insurance. For many small businesses, a well-structured BOP provides the most cost-effective comprehensive coverage.

Commercial Property Insurance	Covers loss or damage to business property (building, equipment, stock, furniture) caused by insured events (fire, theft, storm, flood, burst pipes). If you own the building, insure it for replacement cost (not market value). If you lease, insure the contents and improvements you have made to the premises.
General Liability Insurance	Covers claims by third parties (customers, visitors, members of the public) for bodily injury or property damage that occurs on your premises or as a result of your products or services. A customer slipping on a wet floor, a product causing injury, or a service error causing financial loss — all can generate liability claims. General liability insurance is non-negotiable for any business that serves customers on its premises or delivers products or services.
Business Interruption Insurance	Covers loss of income and ongoing expenses if the business cannot trade due to an insured event (fire, flood, theft). Without business interruption insurance, a fire that destroys your premises not only costs the rebuilding expense — it also costs every rand of revenue you would have earned during the months of reconstruction. Business interruption insurance typically covers: lost revenue (based on pre-event trading history), continuing expenses (rent, key staff salaries), and extra costs of alternative trading arrangements.
Employer's Liability (COIDA)	All South African employers are required to register with the Compensation Commissioner under the Compensation for Occupational Injuries and Diseases Act. COIDA provides compensation to employees injured or killed at work. Premiums are based on the industry risk class and the payroll. Non-compliance results in personal liability for the employer.
Professional Indemnity (Errors and Omissions)	Essential for service businesses that provide professional advice or services: accountants, lawyers, consultants, architects, engineers, IT service providers, and healthcare practitioners. Covers claims for financial losses suffered by clients as a result of professional errors, omissions, or negligent advice.
Directors and Officers (D&O;) Insurance	Covers the personal liability of company directors and officers for decisions made in their management capacity. Relevant for businesses with multiple directors and shareholder relationships where management decisions could be challenged.
Cyber Insurance	Increasingly important as South African businesses digitise. Covers: costs of responding to a data breach (notification, credit monitoring, legal and forensic costs), cyber extortion (ransomware), business interruption from cyber attacks, and liability for customer data compromised in a breach.

4.6 Business Assets Protection Plan

An asset protection plan is a comprehensive strategy to shield business and personal assets from the claims of creditors, litigants, and other adverse parties. The most important principles of effective asset protection:

Separate Business and Personal Assets: Operating through a properly structured private company (Pty Ltd) with adequate share capital provides limited liability protection — business creditors generally cannot access personal assets unless personal suretyship has been given. Never mix personal and business finances; keep separate bank accounts and accounting records.

Avoid Unnecessary Personal Suretyship: Every personal suretyship given for a business debt creates personal liability. Minimise the number and quantum of personal suretyships; negotiate limited suretyship (capped at the loan amount) rather than unlimited suretyship; and release suretyships as loans are repaid.

Structure Asset Ownership Carefully: Assets can be structured so that operating companies (which face the most liability risk) own as few assets as possible. A separate holding company might own property that is leased to the operating company. Seek professional legal advice before implementing complex structures.

Maintain Adequate Capitalisation: An undercapitalised company — one that is operating without sufficient equity to sustain losses — is vulnerable to creditor challenge that can pierce the corporate veil (expose the shareholders to personal liability). Ensure the business is adequately capitalised for its operational scale.

Regular Risk Assessments: Conduct a comprehensive review of all material business risks at least annually: identify new risks, assess changes in existing risks, review insurance coverage adequacy, and update risk mitigation measures. The business risk environment changes — the asset protection plan must evolve with it.

Take Action Before Problems Arise: Asset protection planning is most effective when done in advance — before any creditor claims or legal actions exist. Attempts to protect assets after a creditor has a claim may be reversed as fraudulent dispositions under the Insolvency Act.

1.6 Monitoring and Adapting the Action Plan

An action plan is not a set-and-forget document. Reality rarely matches the plan precisely — suppliers deliver late, permits take longer than expected, key hires prove more difficult to find than anticipated. The entrepreneur who monitors the plan weekly and adapts proactively will manage these deviations without losing momentum. The entrepreneur who monitors the plan only when something goes visibly wrong will be perpetually reactive.

Effective action plan monitoring requires:

Weekly progress review: A 30-minute weekly meeting (even solo) where each action on the plan is reviewed: is it on track, delayed, or complete? For delayed actions: what is causing the delay, what can be done to recover, and does the delay affect other dependent actions?

Dependency mapping: Before executing the plan, identify which actions depend on others being completed first. Critical path actions — those where delay directly delays the opening date — must be monitored with greater intensity and given priority in resource allocation.

Variance analysis: When an action takes longer or costs more than planned, understand why. Is it a one-off deviation (a specific supplier problem) or a systematic pattern (all duration estimates are too optimistic)? Systematic patterns require revising the planning approach, not just the specific action.

Communication: Keep all stakeholders — co-founders, investors, key employees, landlord — informed of significant plan changes. Surprises damage trust; transparent communication of challenges and revised plans maintains it.

2.7 Supply Chain Management for New Ventures

The supply chain — the network of suppliers, logistics providers, and service partners that converts raw inputs into finished products and services delivered to customers — is a critical operational asset. Supply chain failures are one of the most common causes of new venture performance shortfalls, particularly for product-based businesses.

Supplier Diversification: For every critical input, identify at least two qualified suppliers. Single-supplier dependency creates catastrophic risk — if that supplier fails, your production stops. The additional complexity of managing two supplier relationships is trivially small compared to the risk reduction it provides.

Lead Time Management: Understand the lead time (from order to delivery) for every critical input. Build sufficient stock buffer to cover your lead time plus a contingency margin. A supplier with a 3-week lead time needs 3 weeks of safety stock to ensure you never run out even if a single order is delayed.

Quality Control at Receipt: Inspect incoming goods before accepting them. Establish documented quality standards for each input category. Return or quarantine non-conforming deliveries immediately and document the non-conformance. Supplier quality problems caught at receipt are far cheaper to resolve than customer quality complaints after the fact.

Supplier Relationship Investment: The best supply terms — competitive pricing, priority allocation in shortages, flexibility on order quantities, early warning of supply disruptions — go to valued customers who pay on time, communicate respectfully, and maintain reasonable order volumes. Treat your key suppliers as strategic partners, not just transactional service providers.

3.5 Tax Compliance Systems

Tax compliance is not an optional administrative burden — it is a legal obligation with serious consequences for non-compliance, including penalties, interest, and potentially criminal prosecution. Implementing reliable tax compliance systems from launch protects the business and the entrepreneur personally:

Tax Calendar: Set up calendar reminders for every tax deadline: VAT returns (monthly or bi-monthly), PAYE (monthly by the 7th of the following month), UIF (monthly with PAYE), SDL (monthly with PAYE), provisional tax (August and February), and annual income tax return (by October for companies). Missing deadlines triggers automatic penalties.

Provisional Tax Provision: For businesses paying provisional tax, set aside 25-30% of net monthly profit in a dedicated savings account. The provisional tax liability must be paid in August and February based on estimated annual taxable income. Businesses that spend their provisional tax funds before the payment date create a serious cash flow crisis.

VAT Management: If VAT-registered, maintain scrupulous records of all output VAT (charged on sales) and input VAT (paid on qualifying purchases). The difference (output minus input) is paid to SARS monthly or bi-monthly. Accurate VAT records require complete, sequential invoicing and receipts for all business expenditure.

SARS eFiling: All business tax returns and payments must be submitted electronically through SARS eFiling. The eFiling system provides real-time visibility of the business's tax status, outstanding returns, and payment history. Register on eFiling immediately on business formation.

4.7 Business Continuity Planning

A Business Continuity Plan (BCP) describes how the business will continue operating — at least at a reduced level — during and after a significant disruptive event. For South African businesses, the most relevant continuity scenarios to plan for are:

Extended Load-Shedding

With Stage 4-6 load-shedding causing 8-12 hours of power outages per day, businesses without backup power face severe productivity losses. BCP response: install an inverter/battery system or generator sized for critical equipment; identify which operations can continue during outages and which cannot; schedule load-intensive activities for confirmed power windows; communicate proactively with customers about service interruptions during outages.

Key Person Incapacity

The incapacity of a founder or key employee can be existential for a small business that concentrates critical knowledge and skills in one person. BCP response: document all critical processes so others can execute them; cross-train employees on each other's critical tasks; maintain key person insurance to cover the cost of temporary or replacement personnel; ensure all business systems and passwords are accessible to at least two people.

IT System Failure or Cyber Attack

Data loss or system unavailability can halt operations entirely. BCP response: daily automated backup to a cloud service (Google Drive, Dropbox, Backblaze); offline backup maintained weekly on an external drive stored off-premises; documented manual procedures for all critical processes if systems are unavailable; a tested recovery plan that defines the steps to restore operations from backup within an acceptable recovery time.

Loss of Key Supplier

A supplier that unexpectedly ceases operations, loses quality, or raises prices beyond acceptable levels threatens businesses with single-supplier dependency. BCP response: maintain qualified second-source suppliers for all critical inputs; maintain adequate safety stock to bridge the time required to qualify and onboard an alternative supplier; regularly test alternative suppliers with small orders to verify their capability and maintain the relationship.

4.8 Building a Resilient Business — The Long-Term Perspective

This chapter has focused on the operational realities of implementing a new venture — the action plan, the premises, the systems, the financial controls, and the risk management framework. But implementation is not a phase that ends at launch. The most resilient businesses are those that build continuous improvement into their operating culture:

Continuous Improvement Mindset: Every process, system, and product can be improved. Build a habit of asking: 'What is the most frustrating part of our operations for customers and for staff, and what can we do this week to make it better?' Small, frequent improvements compound into significant competitive advantages over time.

Learning from Failure: Every mistake, complaint, and setback contains information about how to improve. Create a culture where problems are surfaced, analysed, and fixed rather than hidden, blamed, and repeated. The most dangerous business cultures are those where bad news is punished — it just ensures bad news arrives late, when it is harder and more expensive to fix.

Financial Discipline: The businesses that survive South Africa's volatile economic environment are those with strong balance sheets — low debt, adequate cash reserves, and disciplined cost management even during good times. The discipline to maintain financial reserves when revenue is strong is what enables survival when revenue falls.

Customer Obsession: The businesses that grow sustainably are those that relentlessly focus on what their customers value, continuously improve the customer experience, and measure their success through the lens of customer satisfaction and loyalty — not just revenue and profit. Revenue and profit are the result of customer value; customer value is the cause.

Building a Team, Not Just a Business: The entrepreneur who builds a business that depends entirely on them has not built a business — they have created a job with unlimited hours. The entrepreneur who builds a team capable of running the business effectively is building something genuinely valuable that can be grown, scaled, or sold. Invest in the people who work with you as persistently as you invest in every other aspect of the venture.

Chapter Summary

❖ An action plan translates the business plan from strategy into execution — specifying every task, owner, resource requirement, timeframe, and deadline required to launch the venture.

❖ Brainstorming identifies all required actions. Individual brainstorming generates quantity; group brainstorming develops quality. Combine both for comprehensive action identification.

❖ Prioritise actions in three phases: Phase 1 (non-negotiable prerequisites — must complete before opening), Phase 2 (important but not immediate — complete in first 30-90 days), Phase 3 (desirable but deferrable — complete as resources allow).

❖ Every action requires: a named individual owner, identified resources (labour, equipment, materials), a realistic duration estimate, and a specific deadline.

❖ Six duration estimation methods: expert judgement, analogous estimating, parametric estimating, bottom-up estimating, three-point (PERT) estimating, and vendor analysis.

❖ Premise selection criteria: target customer access, zoning compliance, available labour, competitive context, physical suitability, and affordability (rent should not exceed 10-15% of revenue).

❖ Leasing advantages: no large upfront capital, flexibility, predictable cash flow, tax-deductible. Leasing disadvantages: no equity built, rent increases, no ownership. Purchasing advantages: asset building, mortgage stability. Purchasing disadvantages: large deposit required, difficulty relocating.

❖ Legal premises requirements: OHSA compliance (safety policy, risk assessment, fire equipment), Certificate of Occupancy, fire safety approval, disabled access, and adequate insurance coverage.

❖ Operational infrastructure: business phone system (VoIP for small businesses), high-speed internet with cybersecurity measures, and core business software (accounting, CRM, communication).

❖ Brand building: define before designing; think of the brand as a person with a personality; maintain consistency across all touchpoints; build for the target customer; register the trademark legally.

❖ Procurement process: define requirements, identify and shortlist suppliers, evaluate against quality/reliability/price/service criteria, negotiate written terms, monitor ongoing performance.

❖ Banking options: business current account (operational transactions), savings account (reserves and tax provisions), merchant account (card payment processing).

❖ Petty cash system: establish policy, set float amount, secure storage, document every transaction, reconcile regularly.

❖ Financial control systems: budget control (compare actual vs plan monthly), debtor management (weekly ageing review, escalating collection steps), creditor management (pay on terms), stock control (regular counts, FIFO rotation), fraud prevention (segregation of duties).

❖ Debtor screening: credit application form, trade reference checks, credit bureau check, credit limit setting, ongoing monitoring of payment patterns.

❖ Five risk categories: financial, operational/environmental, legal, strategic, and information privacy (POPIA).

❖ Four risk treatment strategies: avoid (don't do the activity), reduce (lower probability or impact), transfer (insurance, outsourcing, partnerships), accept (manage consequences if it occurs).

❖ Physical security: access control, CCTV, alarm systems, safe and cash management, staff training. Emergency procedures: documented for all emergency types, tested regularly, posted visibly, known by all staff.

❖ Essential insurance types: Business Owner's Policy (bundled coverage), commercial property, general liability, business interruption, COIDA (mandatory), professional indemnity (services businesses), D&O; insurance, cyber insurance.

❖ Asset protection plan: separate business and personal assets through proper company structure, minimise personal suretyship, structure asset ownership carefully, maintain adequate capitalisation, conduct regular risk assessments, and act before problems arise.

Programme Capstone — Your Launch Readiness Checklist: Using all ten chapters of the Business in a Box programme, compile your complete launch readiness checklist: (1) Action plan with all tasks, owners, and deadlines. (2) Premises selected, evaluated, and lease negotiated. (3) All operational systems installed and tested. (4) Brand identity complete and trademark application submitted. (5) All legal registrations complete (CIPC, SARS, UIF, COIDA). (6) Financial systems operational (accounting software, banking, petty cash). (7) Risk assessment complete with treatment strategies in place. (8) All required insurance policies in force. When all items are checked, you are ready to open. The Business in a Box programme has given you the knowledge. The action plan gives you the roadmap. Your execution gives you the venture. Go build something that matters.