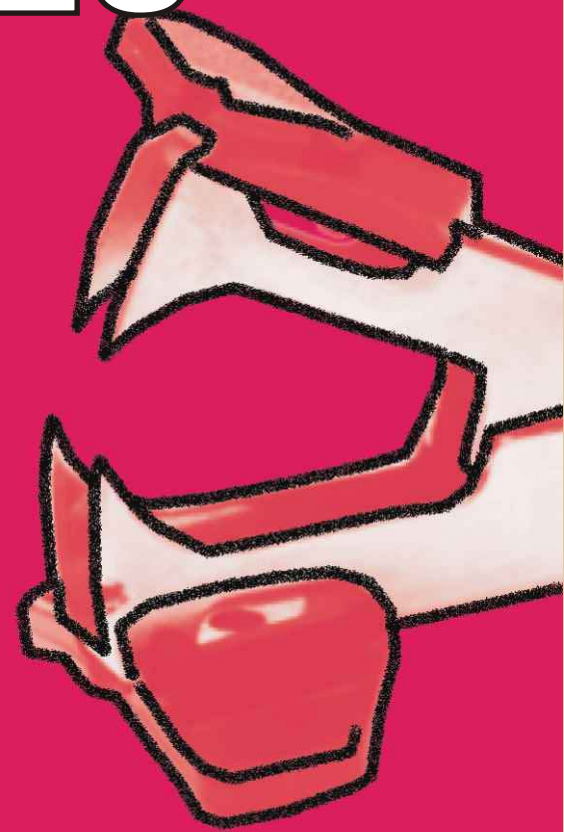




Equipment & FACILITIES



Equipment and

FACILITIES

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BOOK NINE

Outcomes

1

Mojalefa is a successful businessman. One of the reasons for his success is that he did some very careful planning right at the start. He knew that it was important to choose the right kind of facilities and also the right kind of equipment for his business.

Let Mojalefa himself tell you about his business and how he decided which facilities and equipment he would need for his business.

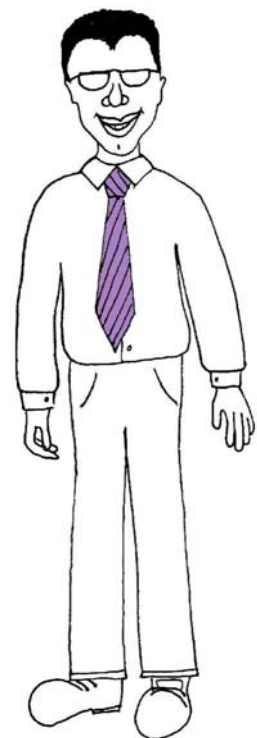
"Hallo! My name is Mojalefa. I run a small business in one of the rural districts of our country. My business is a cooperative for all the farmers in my area.

There were many things that I did not know when I decided to become a businessman. One of the first things that I realised when I started the cooperative, was that I needed some information to help me find the right spot for my business. I also did not know how to choose the right building for my business and which equipment I would need. Then I came across this booklet that showed me what to look for when deciding on the facilities and equipment for one's business. I found it very handy.

What did this booklet teach me, and what will it teach you?

Like me, when you read this booklet carefully, you will learn the following:

- ? How to choose the right place for your business
- ? What to look for when choosing a building for your business
- ? How to draw up a floor plan for your business
- ? What kind of furniture you should have in your shop
- ? Which tools and other equipment you will need for your business





1

Outcomes

Finally, there are some questions at the end of the booklet that you can use to test your understanding of the kind of facilities and equipment that you will need for your business.

Good luck!"



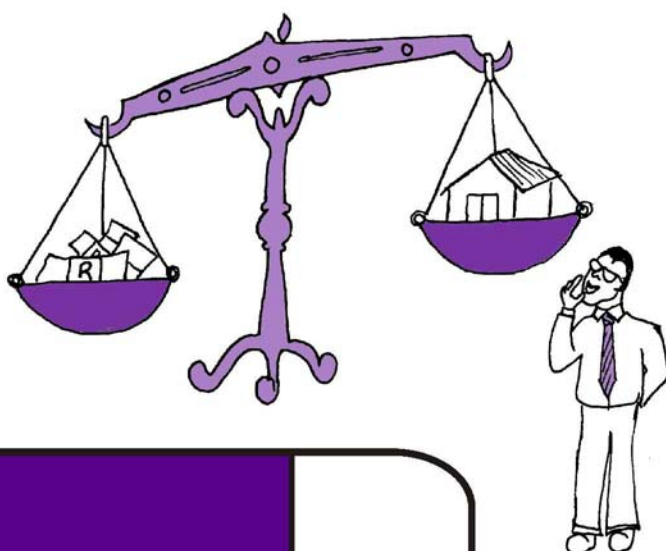
After studying this booklet, you will have a good understanding of

- ✓ How to choose the right place for your business
- ✓ What to look for when choosing a building for your business
- ✓ How to draw up a floor plan for your business
- ✓ What kind of furniture you should have in your shop
- ✓ Which tools and other equipment you will need for your business.

Introduction

When one starts a new business, one of the first problems that must be solved is to find a proper place in which to house your business. Starting a new business usually means that one must try to keep the start-up costs as low as possible. Therefore, in the beginning, one must try to keep the facilities as small as possible to save on costs. One must look very carefully at the real needs of the business with regard to the kind of facilities and equipment that must be obtained to start with. The clever businessman will look for facilities and

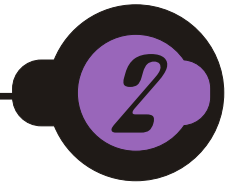
equipment that will be as cheap as possible, but at the same time as efficient as possible. The correct balance must be found between cost and efficiency.



The first place to start when planning to set up a new business is to find the correct position for your shop. The second step is to draw up a floor plan for your shop. This will give you a very good idea of the

size of the shop that you will need to set up your business. It will also help you to calculate the cost of putting up the shop. The next important step is to decide which equipment will be needed to help you cater for the demands of the customer.

The facilities and the equipment that you will need to start your business will be the most expensive of all your needs before you can actually start doing business. On the one hand, it will help if you can keep your start-up costs low. On the other hand, you have to set up your business in such a way that it will be within easy reach for your customers and that shopping there will be a pleasant experience for them. If it is difficult for your customers to get to your shop in the first place, and if it is uncomfortable for them to move around in your shop to find the things they need, they will soon stop coming to your shop. They will look for another shop where they can find the same items in more pleasant and comfortable surroundings. One must always keep in mind that the customer is the most important person that your business will ever have. Your customers are the people who pay the money from which you must make a living. You have to make it easy and pleasant for them to spend their money in your shop.



Introduction

... Continued

Facilities

When deciding on the facilities that you will need to start your business, the two main things that you must consider are

- * the position or location of your shop
- * the floor plan for your shop

These two aspects form the foundation and the groundwork for your new enterprise. Once you know where your shop should be situated and you have a clear idea of what it should look like inside, you can start looking for the right building to rent or to buy for your business.

Finding the right spot

Deciding on the right position or location is a very important aspect when renting or buying a site for your business. The following is a handy checklist that you can use to help you decide:

- * Easy access for the customer
- * Safety and security
- * Easy dispatch and delivery
- * Cost-effectiveness



Easy access for the customer

When one looks at the question of customer access, the first aspect that one must consider is where the potential customers live and where they work. The shop must be situated at a place which is normally visited by large numbers of people. The village market place is usually a good place to start looking for a possible site. To find space at the market itself, however, could be difficult and it is usually very expensive. The next best thing, therefore, is to try to find a suitable site as close as possible to the hustle and bustle of the market place. Always keep in mind the basic needs of the customer, such as public transport with easy access to taxis and buses. Also try to be as close as possible to other shops that will normally be on the itinerary or schedule of the everyday customer, such as the local supermarket, the greengrocer or the butcher. If your business is situated too far away, customers will not be tempted to visit your shop. The more people you can attract to your shop, the more money they will spend and the more money you will make.

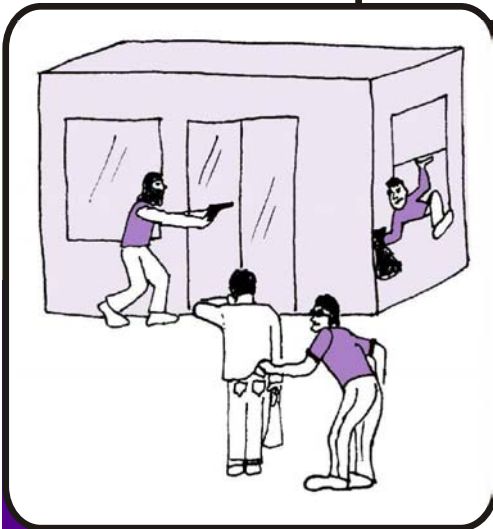


Facilities ... continued

Safety and security

3

The aspect of safety and security is a very important one. Not only must your customers feel safe when they visit your shop and the area in which it is situated, but you should also make sure that your shop is protected after hours. You are going to spend a lot of money on stock and equipment. It will all be wasted if you do not make sure that everything is locked up safely and that your shop is well protected during and after business hours. Once again, you should look for the right balance between proper security measures on the one hand, and the comfort of your customers on the other hand. On the one hand, one cannot protect one's shop like a military fort. It will scare your customers away. On the other hand, you cannot extend an open invitation to burglars, robbers and shoplifters to come and go as they please. You will lose customers because they will not feel safe, and you will lose a lot of money if goods disappear from the store and if your store is broken into regularly. The following are some of the basic measures that you should consider to make your shop safe and secure:



- Consult and cooperate with the local police station on the best ways to protect your shop
- Make sure that you have proper physical protection for your store, such as burglar bars and high quality locks
- Have an alarm system installed in your shop
- Enter into a contract with a security company to monitor your alarm system and to provide an armed reaction service - this kind of service, however, is normally only available in urban areas, but one should nevertheless find out if perhaps there is a local company offering such a service
- Depending on the costs and what you will be able to afford, employ at least two security officers to patrol the shop during business hours, and two more to patrol after hours in shifts
- Take out a good insurance policy for your shop.

Facilities

... continued

Easy dispatch and delivery

Customers do not like being obstructed and hampered all the time by the coming and going of trucks and other kinds of transport vehicles used for dispatching and delivering goods. There should be a special parking space for such vehicles. If it is possible, try to find a place with a back entrance through which stock can be delivered to your shop, and through which goods can be dispatched to customers. If it is not possible to have a back entrance, you should at least try to establish separate entrances for customers and goods.

Cost-effectiveness

Cost is obviously a deciding factor when you have to select a site for your business. Once again, one has to go for the right balance between cost and customer access. In other words, one has to make a cost-effective decision. Putting up a shop in an area that is normally visited by large numbers of people will be more expensive. Putting up your shop in an area that is not normally visited by many people, will be much cheaper. However, a cheaper site is not necessarily a good choice. It might be cheaper to start with, but in the long run it will be more expensive. Although it may cost more to get a shop closer to the market place, you would be able to make more money because more people will buy at your shop. In the long run, this should make up for the higher cost of the shop.



Facilities
... continued

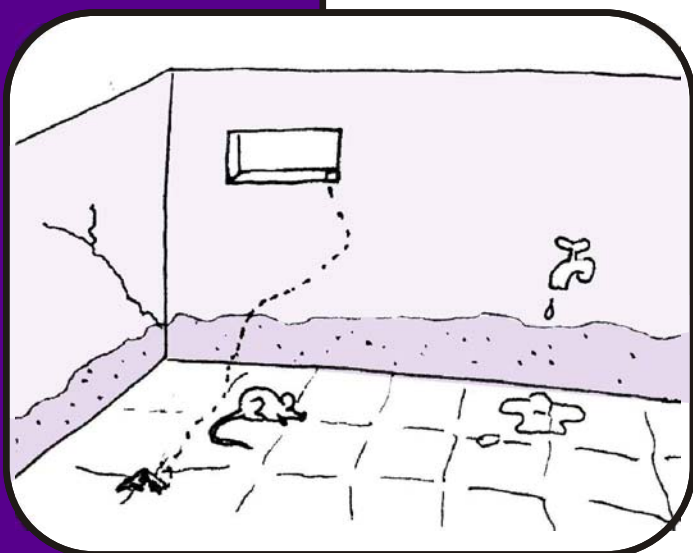
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Selecting a building for your business

There are some important aspects to keep in mind when you start looking for the right building to buy or rent for your business. You have to make sure that the building is designed in such a way that it will suit your business. Keep in mind that the following elements could be harmful to the stock in your store:

- * Dust
- * Direct sunlight
- * Water leaks
- * Damp walls
- * Lack of fresh air
- * Breeding places for insects

There must be enough windows to allow enough ventilation in the store. At the same time, the windows must not be positioned in such a way that they will make the building an easy target for burglars. The foundations of the building must be well above the ground surface. This will prevent the walls from becoming damp. Look for a building with high walls and a high ceiling. This will improve the air circulation at the shop level and will help to keep the building cool.



The yard around the shop must have a level surface. This will make it easier to keep clean and tidy. Customers will be put off by a dirty and untidy yard. Make sure that the building is not situated near a dumping ground, which will provide a hiding place and breeding ground for rats and mice. In turn, rats and mice will attract snakes. This will not please your customers.

Facilities... continued

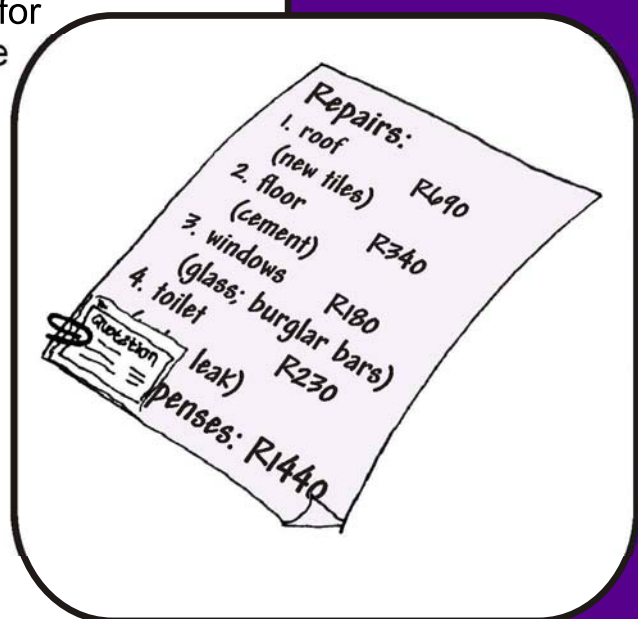


When choosing the building, try to picture in your mind all the activities that will take place in the shop. Try to picture if the building will be able to accommodate everything that you have in mind for your shop. Be patient and meticulous when you make your choice. Never make a decision in haste or on the spur of the moment. Take your time to inspect every part of the building. Make a list of everything that needs to be repaired. This will help you to work out the cost of repairs. The floor might need some new cement, the roof or ceiling might need some fixing, the windows might need burglar bars, or the toilets might not be in proper working order. All these things will cost a lot of money to repair. It is important to calculate this type of cost very carefully.

Depending on the kind of goods that you plan to sell, certain parts of your shop might have to be partitioned off. There might be poisonous or other potentially hazardous items that must be kept separate from consumable items. Receiving and delivering of goods might have to be kept separate. There are various kinds of partitioning available on the market today. It will be worthwhile to make a proper study of this and get some good and expert advice before deciding on a particular type of partitioning material.

Remember that there will always be some hidden costs involved when renting or buying a building, because no building will ever be perfect for your purpose. There will always be some changes or repairs to be made. Be careful before deciding to go for the cheapest building. Although a place might be cheaper, it might cost you a lot more to repair. A more expensive building might eventually cost much less to change or repair. Nevertheless, always put aside an extra amount of money for possible changes and repairs to the building.

Use a checklist that will make it easier for you to weigh up the positive and negative aspects of the building. In one column, write down all the positive aspects that will suit your business. In a second column, write down all the negative aspects that will not suit your business. In the end, the building with the most positive aspects and the fewest negative aspects should be the one that you choose.



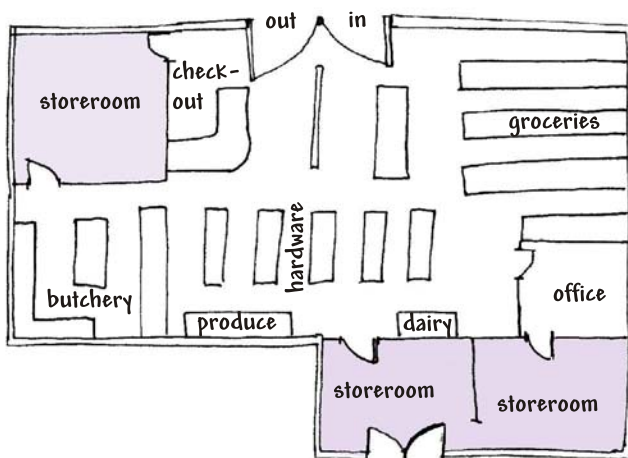
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Drawing up a floor plan

The size of the shop that you plan to put up depends on the amount of money that you have available. It also depends on the volume of the stock that you plan to keep. Of course, you want to make it as comfortable as possible for yourself and your customers. You want to be well organised and have everything ready and close at hand. You want to know exactly where everything is and you will want to be able to lay your hands on it immediately. It will not create a good impression if you have to search for things in front of your customers all the time. You also want to make it as pleasant as possible for your customers to shop in your store. Here one must learn a little secret: It can only be pleasant for your customers if it is pleasant for you too. If you are irritated and disorganised all the time, it will be very obvious to your customers and they will want to get out of your shop as quickly as they can.

In order to make your shop a pleasant place for yourself in which to work and also a pleasant place for your customers in which to shop, you have to start with a good floor plan. It is fairly easy to draw up a floor plan for your shop. Drawing up a floor plan means to make a sketch of a room or a building as if you are seeing it from above. Study your facilities and make a sketch of the walls and their measurements. Mark the position of the windows. Mark the position of the doors.

Measure all the sizes and check in which direction the doors open. Once you have drawn up your basic floor plan, you can start doing a layout of what your shop should look like inside. You will be able to plan exactly where you want to place everything in the shop.



Facilities... continued

It will help you to plan your layout very accurately if you draw up the floor plan to exact scale measurements. For example, you can use a scale of 1cm:1m. This means that, for every 1 metre that the building really measures, you will draw a line of 1 centimetre on your plan. If the real floor space, for instance, measures 20 metres long by 10 metres wide, your sketch will show a floor measuring 20 centimetres long and 10 centimetres wide. Now you will be able to draw in all your basic furniture and equipment. You can draw shelves, for example, that measure exactly five centimetres long and one centimetre wide. This means that in your real shop you will have a real shelf that is five metres long and one metre wide. If you use this method, you will be able to plan and decide very precisely what kind and size of furniture and equipment, and what quantity, you will need to buy for your business.

There is no specific or prescribed way in which a shop must be laid out. Every shop is different. It depends on the kind of shop that you are running. It will depend on aspects such as

- ❖ the nature of the goods that you are selling: the quantity of stock that must be kept in your shop
- ❖ the average number of customers that visit your shop
- ❖ the kind of assistance and advice that your customers will need to help them do their shopping
- ❖ the system that is used in the store for the customers to select the items and pay for them
- ❖ the number of staff that you employ



Facilities... continued

3

If you have a good floor plan, drawn up to scale, you will be able to do your layout in such a way that the shop will not become overcrowded. Look for the best positions for the shelves and other display counters. Plan the best positions for the cash registers. It is always the best option to keep the cash tills fairly close to the entrance. In this way, you will be able to keep control of what is happening in the store. You will be able to spot immediately if any customer needs assistance. You will be able to see if the goods on the shelves are within clear view and easy reach of the customer. You will be able to keep control of what the customers bring into the store and what they take out of the store.



Displaying your goods

There are basically two ways in which one can display the goods in one's store. It depends on the system that you want to use for your customers to select the items that they want to buy.

In one system, all the items are displayed behind a counter. The customer stands at the counter and asks a counter assistant for a specific item. The assistant fetches the item from a shelf, brings it to the customer, rings up the till and the customer pays for the item at the counter.

In another system, there is no counter. All the goods are displayed on shelves in the shop. The customers can browse through the shop and pick by themselves the items that they want to buy. The customer selects the items that he wants, takes them to the cash register where they are rung up, and pays for them there.

Facilities... continued

Buying equipment for your business

4

The equipment that is needed for a business is usually divided into three categories:

- * furniture
- * office appliances
- * tools

Furniture

Furniture means the movable articles in a room or an establishment that make it fit for working or living. In a business environment, it refers mostly to pieces of furniture that are used to work on or in which office items are stored. For example, this will be desks to write on, chairs to sit on, cupboards in which to store office supplies or cabinets in which to file paperwork.

The type of furniture will differ from store to store, but it will usually consist of chairs, desks, cabinets, counters and shelves. A small business may need smaller shelves that are placed closer together. A larger store may require more space between the shelves. In some shops or stores it may be necessary to provide a lounge area where customers will be able to wait in comfort while their business is attended to. In certain shops a counter will separate the goods from the customer. Make sure that there will be enough space for customers and that they will be able to receive immediate attention from the counter attendants. The counter must have a large surface so that there will be enough space for goods to be placed on or for paperwork to be done.

If your business will be handling a lot of cash, it will be essential to have a strong safe in which to keep the money.



Office appliances

4

Office appliances refer to office systems, machinery, a device or an instrument designed to perform a specific function, especially an electrical or electronic device. They are used to create, store, process or communicate information and to calculate figures in a business environment, and they are designed to help the staff work faster and more accurately. Examples of office appliances are cash registers, calculators, computers, fax machines, copiers, telephones, intercom systems, public address systems and security monitoring systems.

The bigger the business, the more sophisticated the office appliances will become. Smaller, start-up businesses will use only the most essential, basic appliances.

There are a few simple rules to follow in this regard. Start with the bare essentials, and only expand into more sophisticated appliances if

- your business has grown sufficiently to justify it
- your business is financially strong enough
- it is obvious that your business will suffer if you do not buy the new equipment
- you have personnel that are trained and able to use the new appliances
- your customers will suffer through poor service caused by outdated and inadequate equipment

Running a business is about making money. Making money means that one must have safe, secure, reliable and accurate systems in place to handle the money. If your business is based on the exchange of cash, the money will usually move around in the shop from hand to hand. That movement must be controlled and the money must be safeguarded. You must be able to give proper account of every cent that exchanges hands in your shop. You must be able to count the money with complete accuracy, otherwise you will never really know how much money your business is making. Therefore, the first appliances that one will have to buy are those that will help you handle money accurately and safely. A good cash register and a good calculator are the most essential items.

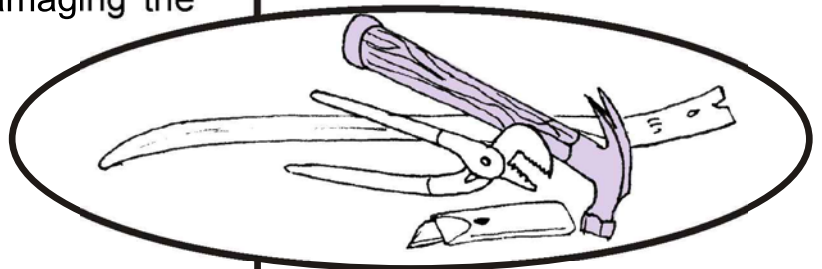
Tools

When deciding what kind of tools to buy for your business, you must again try to picture the activities that will take place in your shop. Picture in your mind that goods are being delivered to your shop. These goods might be packed in strong cardboard boxes or large crates. They must be unpacked. They must be repacked, carried to the shelves and priced. The empty boxes and crates must be removed. The shop must be kept neat and tidy during the day and be cleaned at the end of the day.

Now picture each of these examples and see what you will need for the activities taking place around them.

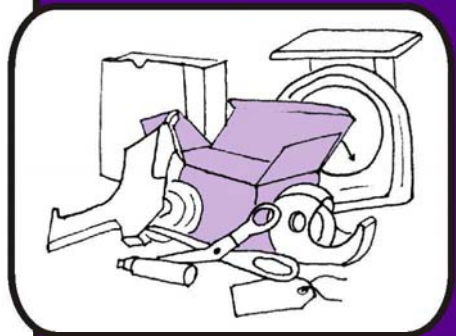
The goods are delivered. You will need tools to open boxes and crates without damaging the contents:

Hammer	Pliers
Crow-bar	Knife
Trolley	



The goods are priced and packed. You will need tools to repack certain types of goods that are delivered in large quantities and are sold again in smaller quantities, such as maize meal, poultry food, sugar and cleaning agents. You will need tools to put a price on the items and to display the price clearly:

Scale and weights	Price gun
Bags and other containers	Labels
Marking pens	Price tags
Adhesive tape	Glue
Notice boards	



Buying equipment for your business

4

The store is cleaned. The tools needed for this activity are usually the least expensive of all the items that you will have to buy:

Broom	Cleaning cloth
Mop	Cleaning liquid
Dustbin	Bucket
Dust pan and brush	

If you have carpets in your building, you might also need a vacuum cleaner.

If you start off with the equipment described above, you should be able to start running your business. Remember: Start with the basic and essential needs. For example, start by marking items with a marker pen in stead of using a price gun. Buy a price gun only once the marking process becomes too slow and it starts to affect the flow of business. As your business grows and your needs are growing with it, you can start buying what the needs of the business describe and what the business can afford. Whatever is built or bought in terms of facilities or equipment must be functional and absolutely necessary. There is no room for 'nice-to-haves' and fancy items in the thoughts of the new entrepreneur.



Buying equipment for your business

Assessment



Read the following questions carefully.
Then try to answer them as well as you can:

1. What are the three main aspects to keep in mind when looking for the right facilities?
2. Explain why it is so important to select the right location for your store
3. Draw up a plan for your store and the way in which you would arrange everything inside the store
4. Make a list of things to consider when deciding on a site
5. What is the difference between furniture and equipment?
6. Make a list of the equipment that you will need for your business.

