



## **WHOLESALE AND RETAIL:WHRT4 LESSONS 11**

### **Unit Standard: 10007: How to Identify Business Opportunities Notes and Activities**

#### **TOPIC: Screening techniques**

**NB :By the end of this unit, you should be able to:**

**Identify and select screening techniques**

**List the most appropriate ideas**

**Factors to be considered when screening business ideas.**

#### **WHAT ARE SCREENING TECHNIQUES?**

Screening techniques are methods used to separate good ideas from bad ideas.

When we screen our ideas, we identify the characteristics that good and sustainable businesses possess and reject the ideas that will not work.

#### **CHARACTERISTICS OF A GOOD BUSINESS IDEA**

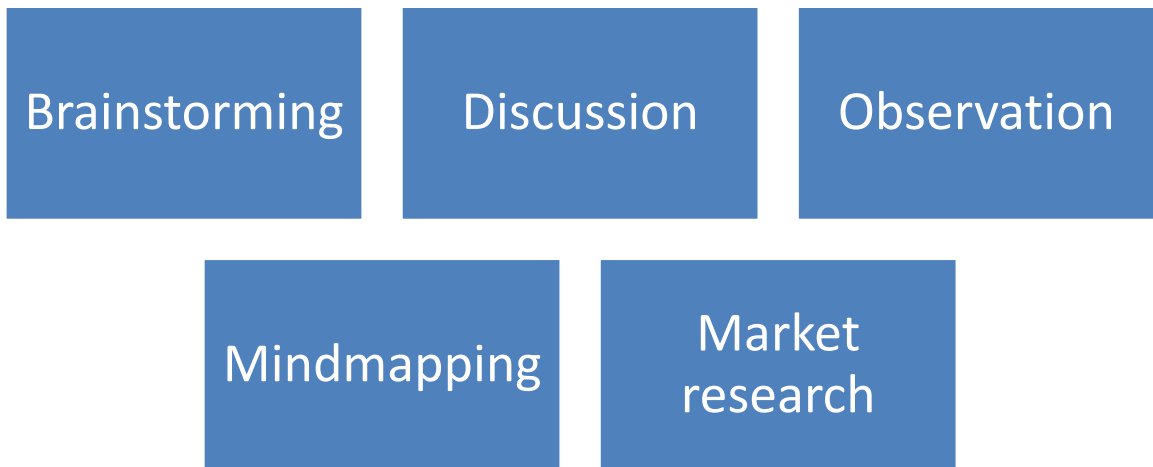
##### **A good business idea should meet the following criteria**

- It should be something people want and need. This “something” can be a product or a service.
- There should not be too many of the same business around
- You need to like the service you are offering or the product that you are making
- You could afford to make or produce your product
- Consumers can afford to buy your product.
- You will have the necessary skills to offer the service or make the product
- There should be something different about your product or service

#### **Idea screening**

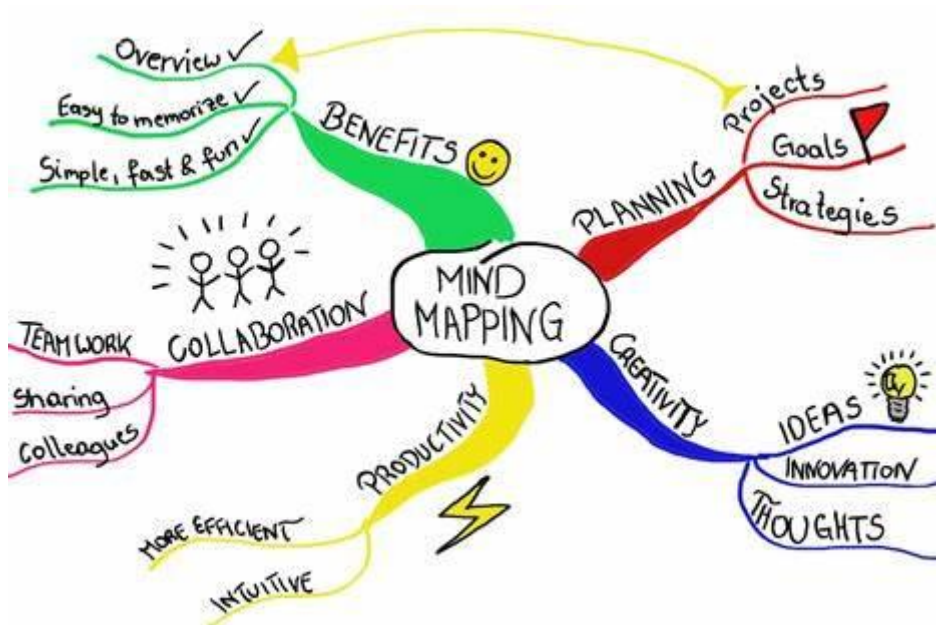
Out of 100 or more ideas, there may be only one or two real opportunities. Superior business ideas have the potential to become opportunities.

## SCREENING TECHNIQUES:



## IDEAS ARE GENERATED THROUGH :

- Brainstorming
- Discussion
- Observation
- Mind mapping
- Market research



## **FACTORS TO BE CONSIDERED WHEN SCREENING THE BUSINESS IDEA**

### **1. Market size**

- Refers to the number of the buyers
- An estimation of the potential buyers
- Number of potential buyers

### **2. quality of goods**

- Refers to selling of goods/ services of good quality that will satisfy the customer

### **3. cost per job**

- Refers to how much the business will charge for product/ services
- How much will the business determine the selling cost

### **4. potential profit**

- Refers to the profit the business will make

### **5. empowerment**

- It is a process of developing employees on the skill the business requires

### **6. number of jobs created**

- Number of employees to be employed
- Number of jobs to be created

## **ACTIVITY 1**

- |     |   |     |
|-----|---|-----|
| 1.1 | Define screening techniques   | (2) |
| 1.2 | Name THREE possible techniques that can be used to screen potential business ideas.   | (3) |
| 1.3 | Mention and discuss FOUR factors you would take into consideration when selecting a screening technique for business ideas. | (8) |
| 1.4 | Name and discuss TWO different techniques that can be used to screen a business idea  | (6) |

## Activity 2

(2)

Study the diagram below and answer the questions that follow

(2)



- 2.1 Identify and select appropriate screening techniques (5)
- 2.2 What is a good business idea (5)
- 2.3 Explain the following: (2)
  - 2.3.1 Market size (2)
  - 2.3.2 Cost per job (2)
  - 2.3.3 number of jobs created (2)

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