

ENTREPRENEURSHIP DEVELOPMENT

TRAINING

MANUAL



EUROPEAN UNION



DSW



DSW

**ENTREPRENEURSHIP DEVELOPMENT
TRAINING MANUAL**

Foreword and acknowledgement

DSW (Deutsche Stiftung Weltbevoelkerung) is an international development and advocacy organisation founded in 1991 as a non-profit foundation in Hannover, Germany. Its work centres on development programmes, advocacy, and awareness-raising with a focus on achieving universal access to sexual and reproductive health and rights (SRHR), which is fundamental to improving health and fighting poverty. With headquarters in Hannover, Germany, DSW maintains four country offices in Ethiopia, Kenya, Tanzania, and Uganda, as well as liaison offices in Berlin, Germany, and Brussels, Belgium.

DSW empowers young people and communities in low and middle-income countries by addressing the issues of population dynamics and health as a way to achieve sustainable development. Our focus is on achieving universal access to sexual and reproductive health services and information, which is fundamental to improving health and effectively fighting poverty.

DSW has been providing quality, needs-based entrepreneurship training to young people, women, trainers and middle-level professionals in its operation areas mainly in Eastern Africa (Ethiopia, Kenya, Tanzania and Uganda). This has necessitated the development of this Entrepreneurship Training Manual which has been harmonised for use by different target groups in the region, courtesy of the “Working Together for Decent Work” Project funded by the European Union (EU). This manual has been adopted from DSW’s entrepreneurship training manuals and other key manuals including the International Labour Organisation (ILO) business development training manuals and handbooks, DSW’s Income Generating Activity (IGA) management training manuals and other relevant sources. The overall goal of this manual is to equip trainers, civil society organisations, community-based organisations, youth leaders, as well as other partners with the basic concepts of entrepreneurship and knowledge of business planning essential for the success of an entrepreneur involved in small business.

The modules of this manual can be delivered as a complete package or appropriately selected based on the specific training needs of the intended participants. The manual has been written in simple language to ease understanding, and adapted to trainees of different levels and needs. It can thus be used to train diverse groups particularly as the facilitator is at liberty to decide which activities are most relevant to the different groups and has the flexibility to adapt various activities to ensure relevance in the local context.

The development of this manual is a major success for DSW’s work in empowering women and youth in the informal sector and we hope that you will find it useful.

Ulrike Neubert

DSW Director Programmes and Projects

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1. INTRODUCTION TO THE MANUAL

1.1 Objectives of the manual

The overall objective of this manual is to equip trainers, civil society organisations, community-based organisations, youth leaders as well as other partners with the basic concepts of entrepreneurship and knowledge of business planning essential to the success of the entrepreneur of a small business.

Specifically, this manual is designed to help participants:

- Learn how to generate, identify and select business ideas
- Practice the preparation of a specific, comprehensive business plan tailored to each individual's entrepreneurial needs.
- Explore the linkages between an entrepreneur and all the resources and services needed to successfully launch and sustain a small enterprise.
- Understand saving as a life skill for individual livelihood and business improvement.

1.2 For whom is this manual designed?

Acknowledging the strength and effectiveness of peer learning, this DSW Entrepreneurship Development Training Manual is designed to ultimately strengthen, improve and effectively facilitate entrepreneurial knowledge and skills gain of young people, women and professionals who manage their own businesses.

The manual is therefore designed to be used at four different levels:

- **Training of trainers (TOTs) or Peer Educator Trainers (PETs) trainings**

The manual serves as a training tool which DSW staff will use to train trainers often referred to as Trainers of Trainers (TOTs) or Peer Educator Trainers (PETs). Each of these training workshops can be structured and conducted in accordance with the sequence, content and structure of this manual enabling TOTs/PETs to acquire all the necessary knowledge, information and skills that will enable them to conduct trainings for peer educators in turn.

- **Peer educator trainings**

In the context of DSW's work, peer educators are selected members of the active youth club network. They are trained by TOTs who facilitate each or selected modules of this manual (including Module 1) and ensure that knowledge, information as well as skills of effective facilitation are adequately passed on to peer educators.

- **Peer learning group facilitation**

The role of peer educators is to apply the facilitation skills they have acquired during their trainings in order to organise and conduct peer learning groups at the grass root level with their peers and group members. Their role is not necessarily to pass on these facilitation skills but to use them to create a conducive learning environment and to effectively transfer

knowledge and skills to the participants by means of interactive exercises. In this context, the manual serves both as a resource for entrepreneurial information and a reference guide for topics and exercises during peer learning groups.

- **Training women and professionals who manage their own businesses**

The content of the manual shall be tailor made to suit the needs of additional target groups including women's groups and professionals. The facilitator shall ensure that a needs assessment is always conducted prior to structuring the training so as to know the knowledge levels of the participants and their specific needs.

1.3 Approach

This Entrepreneurship Development Manual includes content on entrepreneurship as well as training methodologies that enable effective facilitation, participatory and experiential learning and thus lead to sustainable knowledge and skills gain of and for the intended participants.

Conventional learning with a teacher or trainer lecturing in front of a group has proven to be less effective than learning approaches that actively engage participants in the learning process. This manual is therefore based on a **participatory learning approach**.

Accordingly, the learning content is not passed on from the trainer to the participants in a one-way communication with trainees only listening. Instead, training participants are encouraged to discover learning contents themselves in an active process. Regardless of the level of formal education, each participant has a valuable contribution to make, if encouraged to be an active partner in the learning process.

Based on this approach, in this manual, the trainer acts as and is referred to as a "facilitator". He/she "facilitates" participatory and experiential learning, i.e., creates the conditions and the environment in which trainees themselves will discover and practice knowledge and skills. By means of exercises, trainees will explore and share their own experience and knowledge, critically conceptualize and reflect upon solutions from which they will derive learning contents and ways for practical implementation of an enterprise. Appropriate activities and images included in the manual will support the acquisition of knowledge and understanding of entrepreneurship in a student-friendly way.

***"I never teach my pupils;
I only attempt to provide the conditions
in which they can learn".***

Albert Einstein
(German-US American physicist, 1879 – 1955).

Participatory methods and creative tools are employed throughout the modules, to facilitate learning on entrepreneurial topics and other relevant contents. Moreover, as this manual addresses TOTs or facilitators, it provides the participants with practical skills on how to effectively transfer knowledge and skills to others. Consequently, the manual not only elaborates on the theoretical and conceptual basics of participatory learning and behavioural change, but also on effective communication skills. It provides practical guidance on how to conduct a training workshop and includes methods and techniques that are needed to organise and conduct training sessions based on the principle of participatory learning.

1.4 Structure

This manual is divided into nine modules.

Module one constitutes the theoretical and conceptual backbone to understand the approach, process and aim of participatory learning and effective facilitation. Moreover, it serves as a practical guide for facilitators and elaborates on how to prepare and facilitate entrepreneurship training and respective sessions based on the participatory learning approach. As such, it outlines steps that need to be taken ahead or at the beginning of the training. Module one provides the groundwork based upon which all other Modules can be facilitated.

Modules two to nine deal with different entrepreneurial-related topics focused on the practical skills that entrepreneurs need to have to set up a successful enterprise. The modules are designed to follow the participatory learning approach. Some are divided into sections consisting of various sub-sections (sessions) that focus on the educational contents and topics related to the overall learning objectives of the module, as well as many practical examples.

1.5 How to use this manual

This manual can be used in various ways.

For the facilitation of TOTs it is recommended that trainers use this manual as a compact and holistic training outline and toolkit. It is designed to enable coherent five-day training if each module is worked through as outlined in the manual.

However, the modular structure also provides for alternative ways to use this manual: following a needs-based analysis of entrepreneurial knowledge, facilitators can select particular modules and facilitate a tailor-made training for particular learning needs, e.g. developing a business plan only. Moreover, against the background of facilitation of peer learning groups, the modular structure allows to spread out learning over several weeks or months, so that participants can learn at their convenience and relate the contents to their reality. Eventually, it is up to the user and facilitator to decide how best to use the approach and information presented in this manual.

MODULE 1

Effective Facilitation

Introduction

This module introduces the concept and structure of participatory learning. It outlines the principles of effective facilitation and provides practical guidance for organisers and facilitators of participatory learning sessions.

The information presented in this module constitutes the backbone of a participatory learning process. Each of the following modules of the Entrepreneurship Development Manual is based on the concepts and procedures introduced in this module. It is up to the facilitator to decide whether to share the information included in Module 1 in form of participatory learning and exercises as suggested in the relevant sections below, or to inform the training participants about the contents and the general concepts of facilitation and participatory learning in form of a general introduction to the training.

- Section 1 of Module 1 focuses on the practical basics of how to effectively prepare, initiate and close a participatory training and essential steps for creating a conducive environment while ensuring active participation of all trainees.
- Section 2 is dedicated to the roles and responsibilities that participants can take on in a participatory learning process, e.g. as *facilitators* for particular sessions or as *evaluation supervisors* for daily activities.
- Section 3 explains the process and importance of evaluation. Every session, every day and the training as a whole will be concluded with an evaluation. Frequent evaluation fosters mutual learning and helps to adapt to changes swiftly. It will also enable, intensify and support the ongoing improvement of the participatory learning process.
- Section 4 focuses on basic theory and concepts of participatory learning and effective facilitation skills. It provides a comprehensive overview of special skills, methods and techniques for successful learning as a toolkit for facilitators to organise and conduct training sessions based on the principles of participatory learning.

SECTION 1: HOW TO PLAN A PARTICIPATORY LEARNING PROCESS

1.1 Basics

Participatory learning requires a conducive learning environment. Before starting a participatory learning process on entrepreneurship, you need to consider a number of important aspects and engage in various planning and preparatory activities.

The participants

Since interests and capabilities differ, the facilitator should take a keen interest in understanding the needs and aspirations of the participants before actually conducting the training.

The participants are volunteers. If they are not offered a conducive learning environment, they may walk away. In order to create a favourable environment, you should prepare

lessons and exercises well ahead of time. Work with a limited number of participants (20-30¹) only to allow for activity, interaction and personal relationship building within the group. You will see that increased participation and group coherence can boost the quality of the participatory learning process.

Seek to form gender-balanced groups to ensure that both female and male participants have an equal chance to share and exchange their views.

Encouraging active participation

In a participatory learning process, the facilitator will act as a *moderator* rather than a lecturer. Participatory learning is based on interaction and exchange between the facilitator and the participants, as well as among the participants themselves.

1.2 Preparatory activities and planning

Depending on the level of training (Training of Trainers, training for women group, and training for professionals), there are several planning steps to be considered ahead of the training. The facilitator should initiate the planning process well in advance to ensure a successful participatory learning experience.

How to plan a training workshop - check list:

What needs to be done?	Who is responsible?	By when will it be done?
Choose participants		
Prepare the training schedule		
Prepare training tools		
Test exercises		
Book and check convenience of the training venue		
Organise refreshments (if necessary)		
Organise transport and accommodation (if necessary)		
Inform local authorities (as appropriate)		
Organise guest speakers and involve local authorities (as appropriate)		

Budget items	Estimated cost	Budget
Training tools		
Transport		
Food and drinks		
Accommodation		
Other		
Total		

¹ The number of participants may differ in different contexts and based on the type of training (e.g. Training of Group members), but also depend on available resources.

Training venue:

It is important to ensure that the location for the training is convenient and appropriate since the environment may have an impact on the learning process. Therefore, the training venue ideally will:

- Be serene and free from unnecessary distractions
- Be well-aired
- Be well-lit
- Have adequate and flexible seating
- Avail learning tools (flip charts, cards, markers, boards) if possible (otherwise you need to bring what you need).

Stakeholder involvement

For trainings at higher levels (usually not at the youth club level), there might be an official opening ceremony to which representatives of the local authorities should be invited in good time and one or two guest speakers asked to kindly make the opening remarks (10-15 minutes). The opening ceremony is an important occasion to network, advocate and underline the importance of job creation and other funding options. It is important to consider inviting other stakeholders to the ceremony.

In case the participatory learning process does not begin with an opening ceremony, it is important to at least inform local authorities/government representatives at the district level about the training and to share the training schedule with them to get their approval, gain their support and further integrate your activities into local structures, thereby ensuring sustainability. This is particularly important when training certificates are to be signed in the name of the organising institution/organisation and certified by the government.

Learning Tools

In order to make the learning experience effective and enjoyable, it is crucial to make sure in good time that the necessary materials and supplies for the training are available. The materials indicated in this manual may not be readily available at the location of the training and there may be need to explore alternatives using locally-available materials. Make enough copies of the training materials before travelling to areas where the supply of electricity, for instance, may be erratic.

The following tools will be helpful when conducting participatory learning sessions:

- The DSW Entrepreneurship Development Training Manual
- Flip chart, flip chart paper or large sheets of paper
- Markers in different colours
- Chalk to write on the floor or a black board
- Note paper

- Glue stick, pins, cello tape
- Scissors
- Cartons to be cut into facilitation cards
- Cards or slips of paper, scrap paper to write notes
- Optional: a hat (to identify one taking the role of a *facilitator*)
- A pointer
- Optional: a big coloured scarf (to identify a *procedure supervisor*)
- A yellow and a red card (to be used by the *procedure supervisor*)
- A flip chart stand (alternatively, you can put up large sheets on doors and walls)
- Any other demonstration or supporting tool that may be useful in the context of a specific Module or Chapter.
- Handouts as needed

Point to note:

Since a flip chart is a paper-based training aid, it is important to note the following points.

- *Write in visible handwriting so that participants seated far from the chart can easily read its contents.*
- *Avoid putting too much information on one page.*
- *Use different colours as possible and necessary.*
- *Written flip chart sheets will be collated on the wall and should not be taken down before the training is concluded. This will allow the facilitator or participants to refer to them again as necessary.*
- *It is important to number the sheets accordingly, handle and store them properly for later use for instance, to prepare a report on the training workshop.*

SECTION 2: GETTING STARTED

A good start will greatly contribute to the success of the training. Training starts with the session “Getting Started” that consists of eight steps. If the facilitator is well-prepared and has managed all preparatory activities in good time, “Getting Started” should not take longer than two hours.

Step 1. Opening of the training

Step 2. Opening ceremony

Step 3. Introduction of participants

Step 4. Clarifying participants' expectations and concerns

Step 5. Understanding the objectives of the training

Step 6. Agreeing a time table

Step 7. Ensuring a conducive environment and active participation

Step 8. Reaching a consensus on training norms

Note: Step 2 is only relevant for trainings at a higher level or dependent on the context.

2.1 Opening of the training workshop

A representative of the training organiser (or the facilitator) welcomes all participants and guests to the training.

2.2 Opening ceremony of the training workshop

Activity: Formal opening ceremony for a training workshop

Objective: To demonstrate procedures on how to formally open a training session

Method: Inviting guest(s) of honour to address participants

Tool: Prepare a podium

Time: 20 minutes

Facilitator's tasks:

1. Ask the organiser or a representative of a relevant institution to welcome the participants to the training and convey a message of encouragement. Invite the guest of honour (if any) to give the official opening speech.
2. After the opening ceremony, ensure that the guest(s) are excused to leave and begin the first training session.

Point to Note:

At higher-level training workshops and as appropriate, training will always start with an opening ceremony that needs to be organised beforehand.

After everyone has been welcomed, the representative of the organiser introduces and invites the guest speaker(s) to the front/podium. The opening remarks of the guest speaker(s) ideally take between 10-15 minutes each. Following the speeches, the facilitator takes over, starts the participatory learning process and ensures to abide by the time table.

- Activity:** Introduction of participants
- Objective:** To get to know each other
- Method:** Participants form pairs and introduce themselves to each other. After 2-3 minutes they return to the group and introduce their co-participants to the other participants.
- Tools:** Large pieces of paper or flip charts, markers
- Time:** 20 minutes

2.3 Introduction of participants

Facilitator's tasks:

1. Welcome all participants and introduce yourself.
2. Write down on the flipchart the topics for introduction. (See example below)
3. Arrange participants in pairs and ask them to gather in the corners of the room.
4. Allow for 2-3 minutes to work in pairs and interview one another. Suggest that some additional information, such as the meaning of the name and/or something special about the person, a drawing or a particular related story, be added to the introduction.
5. When the time is over, ask participants to introduce the person they have just interviewed to the whole group.
6. Explain to the participants that starting with a self-introduction will create a good atmosphere among the participants, which will help them to relax and be more spontaneous, thereby building participatory involvement and team spirit.

Example of introduction topics for participants

- Name, meaning of name
- Educational background
- Contributions as a youth club/association member
- Previous engagement in entrepreneurship
- Something special about themselves

Basic information

In any participatory training it is important to have participants introduce themselves to each other. The facilitator starts by welcoming all participants and by introducing him or herself briefly to the participants. Self-introduction will facilitate participation and exchange in many ways. As participants come from different places and backgrounds, this exercise also works as an icebreaker: participants will be engaged in activities that are marked by movement, standing up and sharing, they become acquainted with one another, and are therefore more comfortable working together.

The duration of this self-presentation phase will vary depending on the number of participants and the level of previous familiarity with each other.

If the participants already know each other well, there might however be no need for extensive introductions.

2.4 Clarifying participants' expectations and concerns

Activity: Clarifying expectations of participants

Objective: To identify what participants expect to gain from the training

Method: Allowing participants to express their expectations and concerns

Tools: Flip chart and markers

Time: 15 minutes

Facilitator's tasks:

1. Inform participants about the subject of Module 1, "Effective Facilitation".
2. Ask participants to brainstorm on what they expect from the entire training experience and to identify one expectation and one concern. Give participants an example. (See below)
3. Note down ideas from the brainstorming on the flip chart.
4. Group repetitive and similar ideas.
5. Compare the expectations against the training objectives. (See Section 2.5 of this Chapter)
6. Keep the paper/flip chart displayed throughout the whole training and refer to it as appropriate. On the last day of training, participants will have a chance to compare and discuss whether or not their preliminary expectations have been met during the training.

Examples of expectations and concerns

Expectations:

- Gain knowledge in establishing and running a business
- Gain experience and skills in applying participatory learning methods and tools
- Develop skills on how to facilitate entrepreneurship trainings
- Learn how to develop a business plan

Concerns:

- Time allocated for the training is not sufficient
- Participation is limited

Point to note:

Participants have different needs and interests. The training becomes successful if it meets their needs and interests. During this exercise, participants are asked to express their expectations and concerns in relation to the training. It is time for each participant to become clear about what exactly s/he would be realistically expecting from this training. If their expectation is beyond the scope of the set objectives, it is important for the facilitator to clarify what they can actually expect. Otherwise, a misunderstanding may arise between the facilitator and the participants if they are not of the same understanding from the outset.

2.5 Understanding the overall objectives of the training

Activity:	Understanding the overall objectives of the training
Objective:	Enable participants to understand the objectives of the training
Method:	Participants discuss and compare their expectations against the set objectives of the training
Tools:	Listed training objectives on a flip chart
Time:	10 minutes

Facilitator's tasks:

1. List the objectives of the training (see *Basic Information below*) on the flip chart, put the list up on the wall and read the objectives aloud to the participants.
2. Invite participants to express their own ideas by comparing their expectations against these objectives
3. Explain that reaching a common understanding of objectives and expectations prior to the training will create a favourable working atmosphere and facilitate collaboration and learning.

Objectives of the training

1. Understand how to generate, identify and select business ideas
2. Acquire relevant knowledge and skills to start and successfully manage an enterprise/ business venture.
3. Understand the preparation of a specific, comprehensive business plan tailored to each individual's entrepreneurial needs.
4. Understand the linkages between the entrepreneur and all the resources and services needed to successfully launch and sustain an enterprise.
5. Understand saving as a life skill for individual livelihood and business improvement.

Point to Note:

If the objective of the training is well communicated ahead of the training, there will be few negative comments from the participants' end. A clear understanding of the objectives will foster participation and ensure that the participatory learning process flows smoothly. This activity enables facilitators and participants to clarify their expectations (see Exercise 3 of this Chapter). If participants' expectations go beyond the objectives of the training, the facilitator should clarify this right away, since a lack of clear understanding of objectives can lead to misunderstandings and frustration among facilitators and participants.

2.6 Agreeing on a time table

Activity: Agreeing a timetable

Objective: To reach a consensus with participants on a time table and time management

Method: Open discussion

Tools: Detailed time table for the training, day's time table

Time: 10 minutes

Facilitator's tasks:

1. Introduce the training content and present the detailed time table (3-5 minutes) that should be well prepared in advance. Then ask participants to agree upon the day's time table.
2. Inform participants that the detailed time table is flexible, will be reviewed on a daily basis.
3. Mention that the detailed time table will be left visible on the wall until the end of the training.

Example of a day's time table

Proposed by the facilitator		Agreed with participants	
8:30-10:30	Learning time	?	Learning time
10:30-11:00	Break	?	Break
11:00-12:30	Learning time	?	Learning time
12:30-13:30	Lunch break	?	Lunch break
13:30-15:30	Learning time	?	Break
15:30-16:00	Tea break	?	Learning time
16:00-17:30	Learning time, Evaluation & Conclusion	?	Evaluation & Conclusion

2.7 Ensuring a conducive environment and active participation

If the participatory learning process takes place in a conducive setting that allows for active participation, it will bring about very positive results. Active involvement of participants will be ensured by:

1. Choosing a flexible seating arrangement that allows for interactivity. (See session on "Getting Started")

2. Involving participants as trainee facilitators or supervisors.
3. Allowing participants to actively participate in the daily activities.

Activity: Involving participants and assigning roles for active participation

Objective: To ensure participants actively take part in the participatory learning process

Method: Share information on active participation and assign roles to participants

Tools: Participants' daily task table

Time: 45 minutes

Facilitator's tasks:

Each participant is supposed to assume the role of a *facilitator* at least once in order to gain firsthand experience in facilitating the participatory learning processes. He/she will be assigned a session or exercise and asked to prepare himself/herself by reading the relevant chapter carefully (exercise instructions, "Facilitator's tasks" and "Points to Note") and preparing the materials needed for the session. In order to assign participants, the main facilitator will do the following:

a) Assign participants to facilitate exercises of the participatory learning process

1. Select and arrange suitable exercises/activities for different sessions.
2. Note down the exercise number and the number of the page where the respective exercise can be found on a piece of paper and roll it up.
3. Put the paper rolls in the middle of the circle of participants.
4. Ask participants to pick a roll.
5. Ask participants to study and prepare the exercise indicated on their respective notes and offer help and support in case of any questions.
6. Then ask participants to facilitate the learning process attached to the respective exercise. Specify the day and time when they will be expected to facilitate the exercise.
7. Explain that following each facilitated exercise, participants will evaluate and discuss the performance of the facilitator.

b) Assign volunteers for daily activities

Every day, there will be various other roles to be assumed by participants to help structuring and supporting a smooth participatory learning process. In order to assign such other roles to participants, the main facilitator will do the following:

1. Draft a "Daily Tasks Table" (see example below) on a flip chart/board/paper that displays daily activities or functions required ensuring a smooth participatory learning process, e.g. "evaluation supervisor" or "energiser".

2. Note down the activities of the day on small pieces of paper corresponding to the number of training days (e.g. for 4 days, write 4 little notes with the role “energiser”), roll them up and put them in the middle of the circle of participants.
3. Ask every participant to pick one or two rolls. The content of the roll and the name of the participant will be noted under the respective activity in the “daily task table” and posted on the wall.

Example of Participants’ Daily Task Table

Task	Tuesday	Wednesday	Thursday
Check-in person	<i>Peter</i>	<i>Samuel</i>	<i>George</i>
Reviewer	<i>Charity</i>	<i>Amina</i>	<i>Emmanuel</i>
Energiser	<i>David</i>	<i>Charles</i>	<i>Joyce</i>
Procedure supervisor	<i>Hope</i>	<i>Ibrahim</i>	<i>Daniel</i>
Evaluation supervisor	<i>Miriam</i>	<i>Paul</i>	<i>Samuel</i>

Definition of active roles for participants

Facilitator

Participants will be selected within the group to assume the role of a facilitator and facilitate particular sessions; every participant should have the opportunity to undertake the role at least once during the training. The *facilitator* will prepare to lead the class in at least one activity; with assistance from the main facilitator, they will assemble the necessary materials, lead the physical aspects of the activity and lead the reflection. The *facilitator* will ensure that participants participate fully in the activity by encouraging contributions and clarifying instructions for the exercise. They will work with the *reviewer* (see below) to seek feedback from students on the exercise. The *facilitator* will have an opportunity to debrief with the main facilitator at the end of the session for feedback.

Check-in

Every morning, before the first learning session, the person assigned with this task will ask participants how they are doing and how they feel. It is a method that enables the facilitator to know about the conditions of the participants - or about their wellbeing - just before the start of the participatory learning session of the day. The objective of this method is to develop a sense of closure and a relaxed atmosphere, engaging into cooperation between the facilitator and the participants or among peers. The Check-in person invites the participants to talk about problems or enjoyments they have experienced just before entering the room. Some participants may even present a joke or describe a funny situation, whereas others may wish to talk about their health or not feeling so well. In the latter case, the facilitator tries to respond quickly and find a solution for the problem.

Reviewer

Before starting a new session, the person in charge of this task will ask all participants to stand up and recap on the previous day. Every participant is asked to briefly highlight what they learnt. The facilitator then creates a bridge and a link between what was learnt the previous day, and what will be learnt today. During the evaluation of the previous lesson,

s/he will initiate a brief discussion on what needs to be improved in today's session as compared to the previous one.

Energiser

The participant who is assigned to be the “energiser” is expected to boost participants' attention and motivation when they are in a state of exhaustion or boredom during the participatory learning process. Whenever necessary, in consultation with the facilitator, the energiser will conduct some warming-up activities. These may include physical activities, songs, games, jokes, storytelling, etc. Participants often also come up with a number of ideas for enegisers to implement.

Procedure supervisor

In a participatory learning process, time limits for activities tend to be exceeded. The “procedure supervisor” acts as a referee who watches the time limits and indicates when an activity needs to be wound up or accelerated. The procedure supervisor's role is also to support the facilitator towards an effective learning process. He/she:

- Ensures that time limits and agreed training norms are respected. If appropriate for the learning and group context, s/he will suggest that participants may identify and agree on possible sanctions for violating training norms. (Example: The one who did not respect the training norms will be made to sing, dance... in front of the audience)
- Uses a bell, clapping or whistle blowing to indicate time limits
- When 5 minutes remain for the time set for a certain activity to elapse, the procedure supervisor will show a yellow card. When the time is up, s/he shows a red card. At this point, the facilitator should interrupt the activity and wind up.

Point to Note:

To avoid time shortages at a later stage caused by exceeded time limits, it is important to estimate the duration of all activities and to ask participants to prepare and test the actual duration of activities beforehand.

Evaluation supervisor:

The facilitator should not monitor feedback sessions. Towards the end of each training day, hand over to the “evaluation supervisor” who will ask the participants to evaluate the day. The evaluation is subject to further discussion or feedback during the following day's review session.

Parking Lot:

During discussion and learning sessions it is possible that questions will arise, which the facilitator may not want or may not be able to answer immediately. Take a flip chart and give it the heading “Parking Lot” where the facilitator will note down questions or issues to be discussed later or to be revisited. You may then consult an appropriate source to find an answer to those questions and reply to participants at some point before the end of the training.

2.8 Reaching a consensus on training norms

Activity:	Reaching a consensus on training norms
Objective:	Allowing participants to discuss and reach a consensus on training norms
Method:	Small or large group discussions
Tools:	Flip chart, markers
Time:	15 minutes

Facilitator's tasks:

1. Ask participants to form pairs or small groups of 3-6 individuals and to come up with three training norms that they consider important (5 minutes).
2. Put up a flip chart on which all proposed training norms and procedures will be noted and displayed throughout the entire training.
3. After the small group discussions, the groups are supposed to present their results in plenary.
4. Note down the points raised by the groups on the flip chart and correct or classify redundant points with the help of participants.
5. Summarise the main "training norms" and get the agreement of all participants to adhere to the negotiated norms throughout the entire training.
6. Point out that the procedure supervisor will ensure that the agreed training norms are observed and respected.

Example of Training Norms

1. All mobile phones to be on silent mode
2. We are attentive
3. We cooperate with the facilitator
4. We are on time
5. We do not undermine others' opinions
6. We do not refrain from giving our constructive opinions
7. We do not waste time or cause a distraction by talking amongst ourselves while the training is ongoing
8. We do not interrupt others while they are speaking
9. We care and will understand if other participants are not feeling well
10. What we discuss in the group is confidential.

Point to Note

During the participatory learning process, different participants will assume different active roles. To ensure that the different sessions of the learning process run smoothly, it is advisable that each participant, no matter which role s/he currently has, must be listened to, understood, respected and appreciated by the rest of the participants.

SECTION 3: HOW TO CONCLUDE A PARTICIPATORY LEARNING PROCESS

3.1 Daily evaluation of the participatory learning process

Evaluation is crucial in the context of participatory learning. It is important to follow up and know exactly what participants think of the process at the end of each training day. Their feedback allows for improving and adapting the participatory learning process on an ongoing basis. If participants dislike the process, they might be discouraged, leave or interrupt the participatory learning session. Once this has happened, it will be extremely difficult to encourage and motivate them to resume active participation. Therefore, each training day should conclude with an evaluation session.

Activity: Practising how to close participatory learning sessions by evaluation

Objective: To reflect on sessions and training days and provide feedback to make the process a success.

Method: Open discussion

Tools: Evaluation grid, evaluation questions, final evaluation form, pens, markers

Time: 10 minutes

Facilitator's tasks:

1. At the end of the day's last session, ask participants to come together in a circle.
2. Thank participants for their contributions to the day's sessions and activities.
3. Distribute any homework or papers (if applicable, this is up to the facilitator to decide).
4. Ask those participants who will be next day's facilitators to come prepared.
5. Hand over to the designated evaluation supervisor.
6. The evaluation supervisor will write the evaluation grid question in the table below on a large paper that the facilitator will put up on the wall.
7. Participants will be asked to evaluate the day's session by answering the evaluation questions (you may also choose a confidential evaluation technique)
8. Note down all the answers on a flip chart and/or use the Evaluation grid (see below). Discuss them with the participants.

9. At the end of the evaluation session, ask participants to answer the questions below for discussion in the revision session for the next morning.
10. Participants are also encouraged to raise their own questions. There are several techniques for organising an evaluation. (See two examples below). Based on the opinions voiced during the evaluation, the facilitator should reflect on ways of improvement for upcoming activities.

Evaluation session techniques

Option 1: Confidential evaluation

Every participant writes down his/her comments on a piece of paper and passes it to the evaluation supervisor. The collected written evaluation comments will be posted on the wall for others to have their say on it.

Option 2: Open discussion

Participants are requested to record their evaluation on large grids provided on the wall. The following morning, participants will be expected to give their opinions about the evaluation results and discuss these openly.

Evaluation grid to evaluate a training day

The evaluation grid allows participants to rate the content and delivery of training and the use of time for each training day.

Evaluation item	Rating					Total
	1	2	3	4	5	
Content of learning						
• Was the content essentially important?						
Process of facilitation						
• Did the facilitator use effective communication skills?						
• Was it engaging?						
• Was it encouraging/ participatory?						
• Has the facilitator used sufficient teaching aids effectively?						
Time management						
• Was the time use well-balanced?						
• Was the training too long?						
• Was it conducted hastily?						
• Was enough time provided?						

Rating 1 = Inadequate 2 = Satisfactory 3 = Good 4 = Very Good 5 = Excellent

Which measures were conducive for learning in today’s session?

Which activities assisted our learning today?

Which obstacles did we come across in today's session?

What should the facilitator do?

What should organisers do?

What should participants do?

What needs to be improved?

Which measures should be taken, by whom, when and how?

Point to Note:

Whenever participants assign two or less points, the facilitator will ask very nicely why they gave a poor rating, without blaming or criticising participants. The facilitator will conclude the session of the day after evaluating their daily tasks. During evaluation session the facilitator should refrain from any comments. The facilitator should not try to justify his/her point of view based on the participants' criticism or opinion. This will create a sense of trust in the facilitator among participants, who will feel that they are allowed to express their opinion freely. And, as a note to the facilitator: Remember that no one can realistically be expected to know it all in all subject fields with an absolute 100 % knowledge.

3.2 Final evaluation at the end of the training and follow-up

At the beginning of the training, participants have identified their expectations and concerns. On the last day of the training, they will be asked to express their thoughts again and compare it with their initial expectations and concerns as listed on the flip chart and kept on the wall throughout the training. In addition, each participant will be asked to fill in a final evaluation form.

Facilitator’s tasks:

Hand over to the designated evaluation supervisor who will encourage a discussion and ask participants to answer the following questions:

1. What did we expect from the training?
2. Have our expectations been met?
3. Which expectations have not been met?
4. Were initial concerns tackled on the way?

The evaluation supervisor then asks the participants to complete the Final Evaluation form.

Example of a final evaluation form

No	Evaluation item	Points				
		1	2	3	4	5
1	The training was fun.					
2	The training has enabled me to better understand the process of behavioral change.					
3	I have acquired new knowledge and information on entrepreneurship					
4	I will try to put into practice what I have learnt.					
5	The facilitator contributed to the success of the training.					
6	The training increased my knowledge of sexual and reproductive health.					
7	The training was well prepared.					
8	After the training, I feel able to facilitate a participatory learning process myself (with a copy of the Entrepreneurship Development Manual).					
9	There was enough time.					
10	Participants were very engaged in the learning sessions.					
11	The training tools were useful.					
12	The training achieved its goals.					

Rating 1 = I don't agree 2 = I don't know 3 = I partly agree 4 = I agree 5 = Absolutely

3.3 Closing ceremony and participant certificates

At the end of the training, organise a short closing ceremony. Prepare for a brief speech by the facilitator or a representative of the organiser. Tell participants how they can apply what they have learned while awarding certificates to mark the successful completion and end of the entrepreneurship training for the participants.

Facilitator’s tasks:

Prepare training certificates in advance and have printed copies with names and stamps ready for the closing ceremony.

SECTION 4 PARTICIPATORY LEARNING AND EFFECTIVE COMMUNICATION SKILLS

4.1 Facilitating a participatory learning process

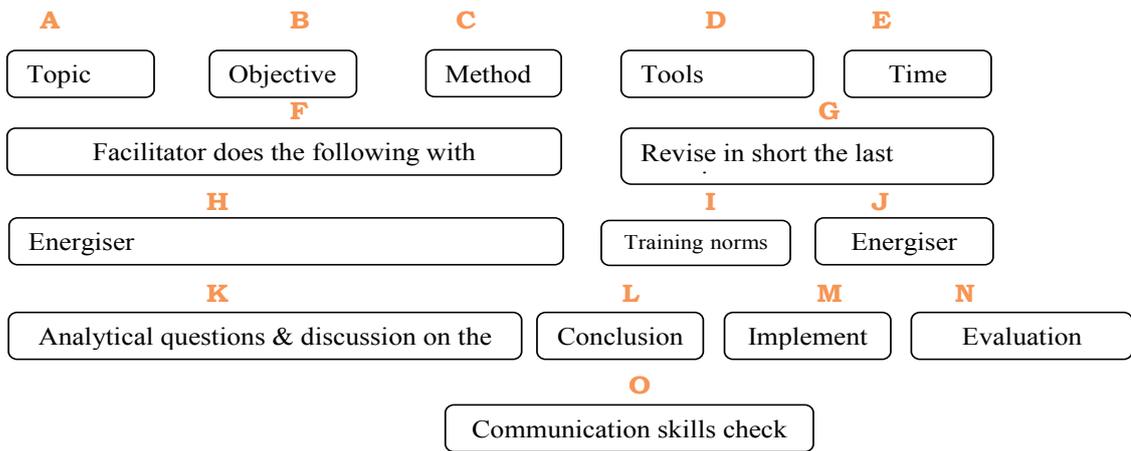
Practising the facilitation of a participatory learning process allows participants to learn how to facilitate the process themselves.

The participatory learning process includes practical exercises on various topics. These exercises are meant to support experiential learning.

Facilitator’s task

1. Write the headings for practical exercises on cards or short pieces of paper and randomly distribute them to participants.
2. Ask participants to arrange the headings in the right order.
3. Clarify the order with participants

Headings to be written on cards:



Activity No: *(Brief description of the activity/exercise)*
Objective: *(What do we want to achieve?)*
Method: *(Which method is used to achieve the objective?)*
Tool: *(Which tools are employed to achieve the objective?)*
Time: *(How much time must be scheduled for the exercise?)*

Practical Exercise - Structure

- ☞ Revision of the previous exercise
- ☞ Briefing - What’s coming up?
- ☞ Warming up as necessary
- ☞ Exercise (discussion...)
- ☞ Conclusion
- ☞ Accomplishment
- ☞ Evaluation

The instructions for practical exercises in this Manual provide the following information:

Facilitator's tasks:

Description of tasks the *facilitator* for the particular activity is expected to fulfil in cooperation with the participants in the participatory learning process.

The following structure may be helpful in conducting a practical activity:

1. Revision

A brief revision of the previous exercise may be carried out before starting a new activity. (See Chapter 2)

2. Briefing

The *facilitator* briefly describes the activity, the objective, the method, the tools to be used and the time limit.

3. Warming up

Warming up activities are useful for maintaining participants' interest and attention. The energiser supervisor conducts warming up activities using different methods as necessary. (See Chapter 2)

4. Exercise (here: Discussion)

Example: After sharing experiences, analytic questions may be raised for discussion on the topic. The *facilitator* and participants will discuss in pairs and/or in plenary using different methods and techniques. In the process of analysing and sharing experiences, participants will learn step-by-step to take a stand. This happens as they ask themselves: Is it right or wrong? Is it good or bad? Shall we accept or reject? The *facilitator* then encourages participants to take a position. They may also ask questions openly during the process.

5. Conclusion

The *facilitator* asks participants if they feel that they have explored the issue from all angles. S/he will then conclude the activity by giving additional information as provided for under the instructions for practical exercises (if any).

6. Accomplishment

As part of the participatory learning process, participants will be asked to put into practice the knowledge they have acquired individually or in group.

Ask participants

- If they have enjoyed the exercise
- What they have learned from the exercise
- If they consider what they have learnt to be useful
- If they can give examples of situations in which they can put what they have learnt into practice

7. Evaluation

Participants may evaluate the *facilitator*.

4.2 Participatory methods, techniques and tools

The use of participatory methods, techniques and tools is very important for participants to gain a clear understanding of the learning content. We have mentioned previously that according to the basic principles of learning, a person learns best using all senses and the whole body. There are a number of techniques, tools and teaching aids available to support experiential learning, including group or face-to-face discussions, role-plays, performances, drawing pictures and learning with cards.

The list below indicates some of participatory methods, techniques and tools; however, it is not exhaustive. The facilitator may know additional methods, techniques and tools to employ in the participatory learning process from his/her own previous experience that may be used as well.

1. Group discussion

Facilitated group discussions are particularly interesting for young people as they allow for extensive and active participation. Group discussions are useful for exchanging experiences and information and provide “living examples” for life skills.

Divide a large group into smaller groups

- To form three groups, every participant will be asked to call name of a fruit such as *banana, orange and mango*. Those who called the same fruit name will form a group. By using this technique three groups will be formed randomly.
- In strict rotation, participants will be asked to count 1,2,3,..(depending on the intended number of groups). Each participant will have a group number: Those who counted “1” will form a separate group, those who counted “2” will form a separate group, and so on.

Inform the groups clearly about the task to carry out. Each group shall assign a group leader and a rapporteur. Before starting the respective activity, the group leader must make sure that all group members have understood the task to be done. The groups are supposed to accomplish their task within the time given. Even if they have not finished, call them back into the plenary nicely and let them report on what they could accomplish within the given time frame.

2. Buzzing

Participants in plenary are asked to exchange ideas or have a short discussion on a single topic by forming a pair or three-some with their direct neighbours without leaving their seat. This technique is useful to have a quick discussion. Buzzing is a good opportunity to participate for shy participants who are hesitant to speak to a large audience.

3. Analytical questions

The facilitator raises key questions regarding a topic to all participants. Offering a short

question-answer is useful to analyse ideas, whereby it is not intended to test participants' knowledge, but rather to bring about a discussion and analysis. Participants can discuss individually or in groups to answer the questions raised.

4. Warming up/energiser

“Warming up’s” or “energisers” are good techniques to entertain participants and keep up their attention. Every training day should begin with a warming up activity. It is also recommended to use warming up activities when participants feel exhausted and bored. A warming up is a group relaxation or activation activity that can take 2 to 3 minutes. This helps to stimulate their working and learning spirit before participants engage in more serious undertakings. It helps to avoid exhaustion in prolonged sessions.

It is great when warming up activities or energisers are somehow related to the content of the training, but this is not a requirement. A warm up may be a simple joke or a physical activity, songs, a role-play, or a funny story. Participants should understand the importance and objective of warming up activities, and all participants should actively participate. It should be clear to everyone before the activity starts. When it is over, all participants should understand why and how a warming-up activity can be useful. They should also be able to lead warming up activities themselves. The facilitator (or the participants) assign(s) one member of the group (the “energiser supervisor”) role. This person takes on the responsibility of occasionally carrying out warm-up/energiser activities for participants during the training.

Warm-ups and energisers:

- Can create a positive atmosphere among participants and build team spirit
- Can be a good opportunity for shy participants to “come out” and express themselves in the group but...
 - Should not create unnecessary competition and excitement.
 - Should be well tested - it is recommended to turn down a very difficult or complex warm up activity rather than trying it.

A sure sign that a warming-up activity or energiser has achieved its target is when participants dissolve into laughter.

5. Brainstorming

Brainstorming means gathering ideas and opinions from a group within a short period of time. It often takes place at the beginning of a new activity. Participants are encouraged to share their opinions as openly as possible. Brainstorming has its own dynamics. In the process of brainstorming, the facilitator must accomplish the following:

- Write down the topic for discussion.
- Invite all participants to share their opinions.
- Note down on the blackboard or cards the emerging ideas or opinions.
- Refuse any explanations and questions for the time being.

- Revise the points mentioned after participants finish brainstorming.
- Group repetitive and similar ideas for the following discussion.
- Encourage participants to further develop their ideas through discussion.

6. Role-play

Role-play is the depiction of real-life conditions in form of theatre or drama through which participants express characters, views or prior experiences in entrepreneurship in the form of a skit for example.

“Role-playing is a teaching strategy that fits within the social family of models”, (Joyce and Weil, 2000). These strategies emphasise the social nature of learning, and see cooperative behaviour as stimulating students both socially and intellectually (Poorman, 2002). Role-playing as a training strategy offers several advantages for trainers and facilitators. Participants’ interest in the topic is raised and increases understanding of course content.

It is important to allow participants to prepare for the play as well as discuss it after the performance.

Role of the facilitator

- Decides which characters and which skills to be learnt by participants from the play.
- Chooses and tells two, three or four actors to perform easy characters and conditions.
- Tells them what they should do. If possible, s/he gives them enough time.
- After the performance, s/he separates main characters and uses analytical questions to lead a discussion.

7. Sculpture

Sculpture is a body language that helps to transmit a message by standing perfectly still without making any movements. The type of message to be transmitted should be short and easy. The performance is carried out by a single person or a small number of people without making any movements or speaking.

8. Mime

This performance uses body language and movement, but no voice, to convey a message.

Module Two

Understanding basic concepts of entrepreneurship

Learning Objectives :

By the end of this module, learners will:

- Understand the meaning of “entrepreneurship” and “entrepreneur”
- Assess the qualities of an entrepreneur
- Understand the concept of perseverance
- Manage his/her time best
- Develop SMART goals and objectives
- Build self-confidence

SECTION 1: DEFINITION OF CONCEPTS

Entrepreneurship

The word “Entrepreneurship” is derived from the French verb *entreprenre* which means “to undertake”. The term entrepreneurship thus refers to the following:

- The process of identifying opportunities in the market place, arranging the resources required to pursue these opportunities and investing the resources to exploit the opportunities for long term gains. It involves creating wealth by bringing together resources in new ways to start and operate an enterprise.
- The processes through which individuals become aware of business ownership then develop ideas for, and initiate a business.
- “The art of identifying viable business opportunities and mobilising resources to convert those opportunities into a successful enterprise through creativity, innovation, risk-taking and progressive imagination” ...ILO Youth Entrepreneurship Manual, 2009.

Entrepreneurship is a practise and a process that results in creativity, innovation and enterprise development and growth. It refers to an individual’s ability to turn ideas into action involving and engaging in socially-useful wealth creation through application of innovative thinking and execution to meet consumer needs, using one’s own labour, time and ideas. Engaging in entrepreneurship shifts people from being “job seekers” to “job creators”, which is critical in countries that have high levels of unemployment. It requires a lot of creativity which is the driving force behind innovation.

Entrepreneur

An entrepreneur is any person who creates and develops a business idea and takes the risk of setting up an enterprise to produce a product or service which satisfies customer needs. Entrepreneur refers to the person and entrepreneurship defines the process. Both men and women can be successful entrepreneurs; it has nothing to do with gender. All entrepreneurs are business persons, but not all business persons are entrepreneurs.

Think of a person who sits by the roadside leading to your home and who has been selling the same type of food, from the same size of saucepan or pot, from the same table top, and may not have been able to change their standard of living to any appreciable extent. Such a person may be a business person but not an entrepreneur.

An entrepreneur is therefore a business-minded person who always finds ways to improve and grow in business. An entrepreneur can also be defined as a professional who discovers a business opportunity to produce improved or new goods and services and identifies a way in which resources required can be mobilised.

Finally, an entrepreneur is someone who constantly scans the environment looking for changes that can provide opportunities for creating new growth-oriented businesses.

Entrepreneurs assume significant accountability for the risk and the outcomes of new enterprises, ventures or business ideas. An effective and successful entrepreneur shows creativity and innovation in business and is an example for other people.

- An entrepreneur is an individual who:
 - o has the ability to identify and pursue a business opportunity;
 - o undertakes a business venture;
 - o raises the capital to finance it;
 - o gathers the necessary physical, financial and human resources needed to operate the business venture;
 - o sets goals for him/herself and others;
 - o initiates appropriate action to ensure success; and
 - o Assumes all or a major portion of the risk!
- An entrepreneur is a job-creator not a job-seeker.
- An entrepreneur is a person who:
 - o Has a dream.
 - o Has a vision.
 - o Is willing to take the risk
 - o Makes something out of nothing

Benefits/importance of entrepreneurship

- Entrepreneurship allows one to undertake different forms of self-employment.
- Entrepreneurs are their own bosses giving them an opportunity to get more job satisfaction and flexibility of the work force.

- Encouragement of the processing of local materials into finished goods for domestic consumption as well as for export
- Healthy competition encourages higher quality products in the market thereby making more goods and services available to consumers.
- Development of new markets
- Promotion of the use of modern technology in small-scale manufacturing to enhance higher productivity.
- Freedom from dependency on the jobs offered by others
- Possibility of achieving great accomplishments
- There may be tax advantages

SECTION 2: QUALITIES OF AN ENTREPRENEUR

In order to be successful, an entrepreneur should have the following qualities:

2.1 Opportunity-seeking

An opportunity is a favourable set of circumstances that creates a need for a new product, service or business. It includes access to credit, working premises, education, trainings etc. An entrepreneur always seeks out and identifies opportunities. He/she seizes an opportunity and converts it into a realistic and achievable goal or plan.

2.2 Persevering

An entrepreneur always makes concerted efforts towards the successful completion of a goal. An entrepreneur perseveres and is undeterred by uncertainties, risks, obstacles, or difficulties which could challenge the achievement of the ultimate goal.

Activity

Activity: Understanding perseverance
Objective of activity: To enable participants to internalise the concept of perseverance
Materials/handouts needed:
The story of Thomas Edison (please adapt to the context) When he was young, Thomas Edison's parents took him out of school after his teachers declared that he was "stupid" and "unteachable." Edison spent his early years working and being fired from various jobs, culminating in his firing from a telegraph company at the age of 21. Despite these numerous setbacks, Edison was never discouraged from his true calling in life: inventing! Throughout his career, Edison obtained more than one thousand patents. And although several of these inventions such as the light bulb, stock printer, phonograph and alkaline battery -- were groundbreaking innovations, the vast majority of them could be fairly described as failures. Edison is now famous for saying that genius is "1% inspiration and 99% perspiration."

One of Edison's best examples of perseverance occurred after he was already a successful man. After inventing the light bulb, he began seeking an inexpensive light bulb filament. At the time, ore was mined in the Midwest of the United States, and shipping costs were very high. In order to minimise his costs with ore, Edison established his own ore-mining plant in Ogdensburg, New Jersey. For nearly ten years, he devoted his time and money to the enterprise. Edison also obtained 47 patents for innovations that helped make the plant run more smoothly. And even despite those inventions, Edison's core project failed because of the low quality of ore on the East Coast.

However, despite that failing, one of those 47 inventions (a crushing machine) revolutionised the cement industry, and actually earned Edison back almost all of the money he had lost. Later, Henry Ford would credit Edison's Ogdensburg project as the main inspiration for his Model T Ford assembly line. And in fact, many believe that Edison paved the way for modern-day industrial laboratories. Edison's foray into ore-mining demonstrates that dedication can pay off even in a losing venture.

Instructions: Read the story of Thomas Edison to the participants

Reflection questions:

- What are the major challenges that Thomas Edison faced?
- What were his achievements?
- What are the causes for his success?
- What do we learn from the story of Thomas Edison?

2.3 Risk Taking

The best entrepreneurs tend to:-

- Set their own objectives where there is moderate risk of failure and take calculated risks
- Gain satisfaction from completing a job well
- Not be afraid of public opinion, scepticism
- Take responsibility for their own actions

Importance of risk-taking

- Build self confidence
- Create a feeling of leadership
- Create strong motivation to complete a job well

An entrepreneur needs to consider the following issues before taking a risk.

- Is the goal set realistic?
- How big is the potential reward for this risk?
- How big is the potential loss?
- What is the probability of failure with this risk?

- How can I minimise the potential negative effects of taking this risk?
 - Examples: starting a business based on market study, share, forming cooperatives or associations etc
- What kind of support or resources do I need to have in place to help minimize or prevent potential negative effects from this risk?
- What further information do I need before taking this risk?
- What past experiences do I need to review in order to inform the strategy for taking this risk?

2.4 Demanding for efficiency and quality

Efficiency

- Being efficient means producing results with little wasted effort.

Quality refers to:

- The ongoing process of education, communication, evaluation and constant improvement of goods/services to meet the customer's need in a way that exceeds the customer's expectations;
- A characteristic of the product or service that makes it fit to use. It makes a product, process, or service desirable.
- The ability of a product or service to meet a customer's expectations for that product or service.

The importance of quality management in entrepreneurship is reflected in the income statement of the business. There is always a demand for quality products and efficient services. Quality plays an important role in this new era of globalisation because it confers certain benefits which include:

- **Reduction of waste:** Striving to maintain quality means examining all processes that contribute to the creation of a product, to remove non-productive processes and waste. If businesses keep to their standard of maintaining the quality of the product, the number of defective products will be reduced. Consumers prefer to buy quality products. Hence the quality products/services help in increasing the share in market and ensure that they will not be returned.
- **Cost-effectiveness:** Striving to ensure quality helps businesses to minimise the chances that they will make mistakes. As a result, the costs of re-doing work or changing the product after it has been sold are greatly reduced.
- **An increase in market share:** Customers prefer to buy the same product again and again if they are satisfied with the quality. If they are satisfied with the quality of a product, then they will not only purchase the product/services more than once, but they will also recommend it to their friends. As a result, this contributes to an increase in the company's market share.

- Better profitability: Better quality of product satisfies customers. Increased customers means increase sales, increased shares in market and consequently increased profits.
- Social responsibility: By providing quality products and services, a company is more likely to be able to fulfil its responsibility to the community and meet standards set by government.
- Reputation: Quality of goods and services improves the reputation of the business for competition in the market and growth.

Time management

- Time management refers to a range of skills, tools, and techniques used to manage time when accomplishing specific tasks, projects and goals. Time management is about getting more value out of your time and using it to improve the quality of your life.
- Initially time management referred to just business or work activities, but eventually the term broadened to include personal activities.

Activity:

Activity name: Time Management

Objective of activity: Enable participants understand time-wasters and effective time-management system

Instructions:

- The participants will be grouped into three/four
- One group will list time-management challenges/factors that waste time (experiential)
- The other group will list some ways to overcome these challenges/time management strategies you can think of (experiential)
- Summarise the discussion based on the hand out

Materials/handouts needed:

Factors that waste time

- Poor planning, lack of contingency plan
- Lack of self-confidence about how to accomplish task at hand
- Socialising on the job
- Cluttered work space
- Telephone interruption; too much time on telephone
- Absence from, or being late to the work place
- Postponing jobs or assignments
- Extended lunches or breaks
- Procrastination
- Poor organisation
- Difficulty with task prioritisation - not knowing which tasks to focus on in what order
- Not setting /sticking to priorities
- Inefficient delegation, or failure to delegate duties to others

2. Time Savers

- Identify and plan daily activities that need to get done
 - Identify and list out activities before the start of the day i.e., a “to-do” list of tasks
 - Set priorities: Prioritise what needs to be done – this is especially important. Without it, you may work very hard, but you won’t be achieving the results you desire because what you are working on is not of strategic importance. So how do you work on To Do List tasks – top down, bottom up, easiest to hardest?
 - Begin with the most important and most urgent tasks
- Be self-motivated
 - Complete tasks you have planned with commitment and dedication
 - Be results-oriented in doing business
- Set Goals
 - In order to move forward on a set of tasks in an efficient manner, you must have a goal in mind. With a goal, you can then figure out what exactly needs to be done, in what order. Without proper goal-setting, it is possible to get off-track in the confusion of conflicting priorities.
 - Plan the time in terms of the time and resources required to accomplish the task
- Do not be afraid to use the phone
 - Often we rely on email alone for communications; this can be very efficient for certain communications, but for others it is more efficient to schedule a phone call and have a conversation
 - Phone calls can often help us to get the information we need faster
- Take notes during meetings, calls, etc
 - Studies have shown that people are much more likely to accomplish their goals if they have written them down. As someone once said, “A short pencil is better than a long memory.”
 - Taking notes during important meetings to record business information, customers’ and supplier’s names and addresses, action items to complete prior to the next meeting, etc
- Demonstrate flexibility in terms of work hours. It is important to make yourself available to the extent you can, when trying to meet deadlines. It is equally important to set limits on working hours so that you can rest and enjoy time with family and friends. Know when it is appropriate to draw those lines.
- Accomplish very important tasks during the time of day when you work best.
 - For example, if you are a “morning person” try to work on the tasks that require the most thought in the morning. Save routine tasks for the end of the day, when you are starting to feel less energised.

- Identify time-wasters and work to minimise them
- Learn from the experiences of others, including those of other entrepreneurs
- Distinguish between those tasks that we should do ourselves and those that should be delegated, and then delegate appropriately

3. Benefits of time management

- Improves efficiency
- Saves time so that a person can allocate adequate time for family, recreation and social obligations
- Improves relationships both on and off the job

Reflection questions:

- How do we overcome factors that waste time?
- Can we use the time-management strategies?
- How can we apply this strategy in our business?

2.5 Information-seeking

Successful entrepreneurs do not rely on guesswork and do not rely on others for information. Instead, they spend time collecting information about their customers, competitors, suppliers, relevant technology and markets. Gathering relevant information is important to ensure that the entrepreneur makes well informed decisions.

Types of information that are important for business

An entrepreneur should have sufficient information and seek additional information on various factors that are relevant to his/her intended new business activity. The different types of information required are indicated below.

Market

- Market segments for low, middle and high income groups
- Competitors and similar products
- Sales forecast
- Strategic business location

Supply

- Machines/equipment
- Raw materials
- Other assets like office furniture
- List of suppliers and prices

Infrastructure

- Business premises available
- Size of premises and rooms

- Power, water & other facilities
- Transport facilities

Business Management

- Organisational form of the business
- Needs in accounting & accounting courses
- Availability of qualified personnel
- Training facilities for staff and owner

Finance

- Micro-finance loan conditions
- Government financial facilities

Legislation

- Commercial code
- Business registration process
- Tax obligations
- Tender procedures

2.6 Goal Setting

A Goal - is a general direction, or long-term aim that you want to accomplish. It is not specific enough to be measured. It is large in scope, not necessarily time-bound, and is something that people strive for by meeting certain objectives which will hopefully add up to eventually achieving the goal.

Objectives - are specific and measurable. They can be output objectives, or they can be attitudinal or behavioural. But most of all, they can be measured. They are concise. They are specific. Think of the word **object**.” You can touch it, it’s there, it’s actual, and it’s finite. An entrepreneur must have a goal and an objective which is specific, measurable, attainable relevant, and time bound (SMART).

- **Specific:** Great goals are well-defined and focused. The moment you focus on a goal, your goal becomes a magnet, pulling you and your resources toward it. The more focused your energies, the more power you generate.
- **Measurable:** A goal without a measurable outcome is like a sports competition without a scoreboard or scorekeeper. Numbers are an essential part of business. Put concrete numbers in your goals to know if you’re on track.
- **Attainable:** Far too often, entrepreneurs can set goals which are beyond their reach. Dream big and aim for the stars but keep one foot firmly based in reality.

- **Relevant:** Achievable business goals are based on the current conditions and realities of the business climate. For example, you may desire to have your best year in business or increase revenue by 50%, but if a national economic crisis is looming and three new competitors just opened in your market, then your goals are not relevant to the realities of the market.
- **Time-Based:** Business goals and objectives just don't get done when there's no time frame tied to the goal-setting process. Whether your business goal is to increase revenue by 20% or to find two new clients, it is important to choose a time-frame to accomplish your goal.

2.7 Planning

Planning is making a decision about the future in terms of what to do, when to do, where to do, how to do, by whom to do and using what resources. An effective entrepreneur therefore usually plans his/her activities and accounts as best as they can for unexpected eventualities.

Exercise:

The facilitator will ask the participants whether they have a plan for their businesses and encourage those who do to share their experience.

A detailed explanation about the processes that go into business planning will be discussed separately in Module 4.

2.8 Persuasion and networking

Persuasion is

- a way of convincing someone to get something or make a decision in your favour
- Inducing or taking a course of action or embracing a point of view by means of argument, reasoning, or entreaty; to convince
- to succeed in causing a person to do or consent to something; to win someone over, as by reasoning or personal forcefulness
- to cause to believe; to induce, urge, or prevail upon successfully

Importance of Persuasion in Business

We purchase goods from people

- We sell goods to people
- We need support from people
- We work with people.
- Without people be they suppliers, workers, and most importantly customers, there is no business.

Networking is an extended group of people with similar interests or concerns who interact and remain in informal contact for mutual assistance or support.

Business Networks

In a business environment where we are in, we network with customers, suppliers, competitors, various firms, different organisations, government offices and family, etc

Factors that affect persuasion and networking

- Socio-cultural background and perceptions
- Communication skills (both verbal and non-verbal).
- Negotiation skills

2.9 Building self-confidence

Self-confidence is the state of being certain that a chosen course of action is the best or most effective given the circumstances. Confidence can be described as a subjective, emotional state of mind, but is also represented statistically as a confidence level within which one may be certain that a hypothesis will either be rejected or deemed plausible. Self-confidence is having confidence in oneself when considering a capability. Overconfidence is having unmerited confidence-believing something or someone is capable when they are not.

Characteristics of a self-confident person

A person with self-confidence may exhibit some of the following characteristics:

- Risk-taking: willing to take risks and go the extra mile to achieve better things.
- Independent: entrepreneurs like to be their own masters and want to be responsible for their own decisions.
- Perseverance: Ability to endure and survive setbacks and continue to build confidence in whatever you do in your business.
- Able to learn to live with failure. Entrepreneurs are going to make mistakes. They are human. But they learn from these mistakes and then move on.
- Ability to find happiness and contentment in work.
- Doing what you believe to be right, even if others mock or criticise you for it.
- Admitting mistakes and learning from them

Activity:

1) Think about your life so far, and list the five major achievements in business/personal life.

1. _____ 2. _____
3. _____ 4. _____
5. _____

2) Think about your strengths in running a business. Write four of them which you are most proud of?

1. _____ 3. _____
2. _____ 4. _____

3) Think about what's important to you, and where you envision your business in the future. What is the goal of your business?

4) Build the knowledge and skills that you need to succeed. What do you need to know, do or learn in order to accomplish the business goal stated above ?

5) How do you think you can acquire this knowledge and these skills so that you will be able to move forward confidently?

6) When you are starting, do not try to do anything clever or elaborate. There is no need to be perfect – just enjoy doing simple things successfully and well. Focus on the basics, set small goals and achieve them, and you will find yourself accelerating towards success! So, what basics or initial steps will you take towards reaching your goal?

2.10 Listening to others

An entrepreneur does not simply impose his/her idea on others. Rather, he/she listens to other people in their sphere of influence, analyses their input in line with his/her own thinking and makes an informed decision.

2.11 Demonstrating leadership

An entrepreneur does not only do things by him/herself, but also gets things done through others. Entrepreneurs inspire, encourage and lead others to undertake the given duties in time.

Self-assessment on entrepreneurial qualities

Activity: Complete a self-assessment of your entrepreneurial qualities

Go through the statements below and score yourself to the best of your ability and as honestly as possible. Do not take too long thinking about any one answer, your first guess is probably the most accurate. Use the scoring key below.

Scoring:

5 – Always 4 – Often 3 – Sometimes 2 – Rarely 1 – Never

	Characteristic	1	2	3	4	5
1	I enjoy doing things on my own. Nobody has to motivate me to get started on a task.					
2	If I make up my mind to do something, I don't let anything stop me.					
3	I do not hesitate to undertake risks related to creating and operating an enterprise.					
4	I plan my time and resources well so I produce high quality products.					
5	I assess the time and capacity I have before I commit to accomplishing a job.					
6	I act upon the opportunities that needs and problems present.					
7	I keep trying again and again despite great challenges and failure.					
8	I work hard to try to foresee potential risks so as to prevent future risk.					
9	I make personal sacrifices to complete jobs in order to keep my word and meet promised deadlines.					
10	I always strive for improvement and progress despite feedback from people that they are satisfied with my work.					
11	Before undertaking my job I try to gain as much information about it as I can, and verify the accuracy of the information I am receiving.					
12	I set short and long-term goals for my personal life and business.					
13	I do everything I can to accomplish set business goals, through careful planning and implementation.					
14	I team up well with others for tasks which I cannot accomplish on my own.					
15	I am able to make decisions on my own, incorporating the suggestions and ideas of others as part of that process.					
16	I collect all the necessary information I need before I start a job or task.					
17	I set goals based on the resources and skills I have.					
18	I have the skills to persuade and communicate with people.					
19	I regularly evaluate my job performance, looking for areas of improvement.					
20	I am happy with my work and am confident that I will make progress and improvement in the future.					

Analysis of the result

Analysis one: Each statement is focused on different entrepreneurial qualities as stated below.

- Question 1+ Question 6 = Opportunity-seeking
- Question 2+ Question 7 = Perseverance
- Question 3+ Question 8 = Risk-taking
- Question 4+ Question 10 = Demand for efficiency and quality
- Question 5+ Question 9 = Commitment to work contract
- Question 11+ Question 16 = Information-seeking
- Question 12+ Question 17 = Goal-setting
- Question 13+ Question 19 = Planning
- Question 14+ Question 18 = Persuasion & Networking
- Question 15+ Question 20 = Self Confidence

Now evaluate how you ranked yourself for that characteristic (based on your score for each of the questions). For example, if you rated yourself a “5” for both questions 1 and 6, then according to the key above, you have a strong opportunity seeking trait. If you rated yourself a “1” or a “2” for questions 14 and 18, then perhaps persuasion and networking are not among your strengths right now – and could be skills for you to work on.

Analysis two: Add up your total score from all the numbers you wrote in each row. Write your total sum here, and then interpret it below:

Total Sum = _____

Result Interpretation:

Score	Meaning
< 50:	Limited entrepreneurial qualities at the moment. It does not mean you are not meant to be a businessperson. It only means that you should spend more time preparing yourself to handle any problems you might face once you start a business.
Between 50 – 80	Average - there are gaps that need to be filled or improved upon. You might consider upgrading your knowledge or skills. Consider taking some courses.
>80	Good entrepreneur - keep it up and continue to develop.

Entrepreneurship characteristics action plan

Based on your individual analysis of the self-assessment, please answer the questions below.

1. Identify three characteristics of an entrepreneur for which you scored the highest mark.

2. Identify three characteristics of an entrepreneur for which you scored the lowest.

3. Prepare an action plan which will help you to improve upon three characteristics of an entrepreneur for which you score the lowest.

4. Working with a partner, either trade worksheets, or talk about your weakest characteristics and ideas for improvement. See if your partner has any further ideas for what you can do to improve on your weaknesses, and then do the same for him/her.

The facilitator summarises the discussion and individual action plan based on the following information

Tips to strengthen entrepreneurial skills

If you do not have enough of the qualities and abilities necessary to open/strengthen your own business there are many ways to improve your business skills and alter your characteristics. You can;

- Talk to people in business so you can learn from them
- Get some training, enrol in a course to study specific areas you need to improve in.
- Get work as an assistant/ apprentice to a successful business person
- Read books that will help you develop your business skills
- Read articles about businesses in the newspaper and think about their problems and methods.
- You might want to think about finding a partner who complements your strengths and weakness, instead of going into business entirely on your own.
- Often people have not had much experience or practice in a business situation. If your number of weaknesses is high, go through the personal assessment exercise again and try and understand how the attitudes and characteristics described affect how a business is run. Try to develop the skills and attitudes described by applying them in your daily activities, for instance:
 - Practice discussing the advantages and disadvantages of any situation or idea.
 - Increase your motivation by making a plan for your future
 - Study successful business people and learn that your success depends mostly on your own efforts.
 - Develop the ability to consider and assess a problem and take risks

- Think about and learn how to deal with crises situations better
- Talk to your family about the difficulties of running your own business and persuade them to support you.
- Become more open to new ideas and other people's views.
- When things go wrong, analyse what happened and improve your ability to learn from mistakes
- Increase your commitment to work and realise that only hard work brings success.

Supplementary Activity

1. Identify an entrepreneur in your locality and indicate the qualities you have observed in him/her that make him/her a successful entrepreneur. Use the table below to record your observations.

Characteristic	How this characteristic is seen in the entrepreneur.
1)	
2)	
3)	
4)	
5)	
6)	

2. Based on the analysis, the facilitator encourages participants to emulate the entrepreneur as a model.
3. Finally, the facilitator winds up the session by sharing tips for strengthening entrepreneurial skills.

MODULE 3

Generating a business idea

Learning objectives:

By the end of the module, learners will be able to generate a number of business ideas that can be carried out by a group or an individual.

How to structure this session:

1. Explain that the session is about generating a business idea as a group and explain some of the key principles described below
2. Divide plenary into groups and ask each group to develop a list of needs for products or services within their community. Advise the participants to approach this task by identifying a difficulty the community is experiencing and then determining what product or service could help overcome that difficulty.
3. Ask groups to share their feedback in plenary to develop a list of possible business ideas
4. Allocate two business ideas to each group and ask them to develop a list of skills/ experience that would be necessary to implement each business idea.
5. Each group should share the key points of their discussions in plenary
6. Do a question and answer session

What is a business idea?

Every business is born from an idea. Business ideas should come from observation, to find a potential opportunity, or try to forecast what people or other businesses might want. Business ideas are sometimes developed from someone's education and past experience. It should be known that by considering your natural talent you might find the seed for a good business idea. It is an idea about what products you are going to offer, what services you are going to provide or what goods you are going to sell; where and how you are going to sell them and who are you going to sell them to.

A business idea is therefore a short and precise description of the basic operations of an intended business. A good business starts with a good business idea. Before you can start a good business you need to have a clear idea of the sort of business you want to run.

A successful business meets the needs of its customers. It gives people what they need or want. Your business idea will tell you;

Which need your business will fulfil for its customers.

What product or service your business will sell.

Who your business will sell to.

How your business is going to sell its products or services.

Business ideas are identified through positive, creative thinking. They can come from different sources such as ideas built on local resources, local needs, local activities, interests and hobbies.

WHICH

Which need does your product or service satisfy for your customer? Your business idea should always have the customer and the customer's needs in mind. It is important to find out what your future customers want when you work out your business idea.

WHAT

What type of product or service will your business sell? Your business idea should be based on products you know about or services you are good at. They must be products or services that people are willing to pay for. Analysing various business ideas will help you to focus on the type of business you will be good at.

A product is an object that people pay for. It may be something you make yourself or it may be something you buy to re-sell. Tools, baked goods, clothes and retail goods are all products.

A service is something you do for people, which they pay for, for example, shining shoes, delivering messages, keeping money safe in a bank and repairing items.

WHO

Who will buy your products or services? Customers are an essential part of every business. It is important to be clear about the customers you intend to sell to. Will you sell to a specific type of customer or to everyone in an area? There must be enough people who are able and willing to pay for your products and services or the business will not make a profit.

HOW

How are you going to sell your products and services? If you plan to open a shop this is clear, but a manufacturer or service operator can sell in many different ways. A manufacturer can, for example, either sell directly to customers or to retailers.

Starting a business is not an easy job - it takes lots of work and a lot of planning. The effort and money it takes to start a business may all be lost if you don't start the right business. The right business begins with a good business idea.

Running a business is like juggling. You have to balance knowing what the customer wants, your skills and experience, knowing what it costs to provide it, and knowing how much the customer is willing and able to pay. You have to keep your eye on all of these factors because they are always changing. If you can juggle what customers want, what you can provide, with the right costs and prices – you make profit. If you fail to pay attention to any one of these, your business will not be successful.

WHAT MAKES A GOOD BUSINESS IDEA

A good business idea is one that is based on;

- A product or service that customers want
- A product or service you can sell at a price customers can afford and which will give you a profit

- The knowledge of skills you have or you can get
- The resources and money you are able to invest.

All good businesses begin with a good idea that has been well thought through.

Assessing your abilities and experience; your work experience, practical knowledge, technical abilities, hobbies, contacts and family background can also be important factors for business success. Many small jobs you do around your home can be ideas for starting a business, for example growing vegetables, cooking, looking after children, dancing, fixing watches or machines, washing clothes, sewing etc. Your interests and hobbies can give you ideas of a new business. Telling stories, drawing pictures, fishing, listening to music, playing football, baking cakes are all hobbies that can be turned into business ideas.

How do people find good business ideas?

Ideas are everywhere, but they need to match what customers want and can pay for. A good business idea is based on the needs of customers. If a business makes a good product but nobody needs it, the business will be a failure.

The people who might want to buy a product or service are called the market for the product. Every good business idea is based on knowledge of what the market wants.

The market differs from place to place depending on who lives in the area, how they live and what they spend their money on. When you know about the people in your area you can find many business ideas that you might have ignored

ACTIVITY

Now find out about some successful business ideas yourself

1. Think of three businesses in your local area that you think are successful. Try to select businesses that are at least three years old. Write down in the space below the name of each business and the product or service they sell.

.....
.....
.....
.....

2. Go and talk to the three owners. See if they agree with you that business is a successful one. Ask them how they decided to go into that business. Did they see a need in the market that was not being met? Did they have some experience, contacts or skill to build upon? Did they know someone else in the business? Was this the first business they ever worked in? Write in the space below any other questions you want to ask the owners

.....
.....
.....
.....

3. After you finish talking to the owners complete a Business Idea Information Form for each business putting in as many details as possible.
4. Think about all the factors that have made the business idea a good one and why it has become successful business. Find answers to the following questions and write them in the form under “notes”.
 - ❖ What lessons can you draw from the experience of the business owner?
 - ❖ What mistakes do you think the owner made?
 - ❖ How can you avoid the same mistakes?
 - ❖ What do you think has made the business a success?

BUSINESS IDEAS INFORMATION FORM

1. Name of the business.
.....
2. Products or services sold.
.....
3. Main customers
4. When and why did the owner decide to start this business?
.....
.....
5. Why did the owner think it was a good idea to start that particular kind of business?
.....
.....
.....
6. How did the owner find out what local people wanted?
.....
.....
7. What strengths or assets did the owner use to start this business? (E.g. previous experience , training, family background, contacts, hobbies)
.....
.....

8. What problems did the owner face in setting up the business?

.....

.....

9. Has the product or service changed over time?

.....

.....

.....

.....

GENERATE YOUR OWN BUSINESS IDEAS

Maybe you do already have a business idea? This is a good sign. It shows that you are committed to starting a business and you have already started the work of “thinking”. But you should be careful not to hold on too tightly to your first idea. There are many opportunities and the first idea can lead to an even better idea.

When generating a business idea, it is best to try and keep an open to mind. The first goal should be to think of as many ideas as possible and make a list of all the business opportunities you can think of. Business ideas can be generated through:

- Using experiences
- Visits to your local business area
- Investigating your environment
- Brainstorming

AN “IDEA” LIST

Begin an ideas list for your own business. Go back over the various activities you have done so far, select any ideas that might be suitable for you and write them down in the activity box below.

In this list, jot down ideas you will generate as you carry out other exercises to generate business ideas, here is an example

Ideas list for my own business	
Ideas	Description
A catering service delivering lunches to office	I know about and enjoy cooking. No one else does this in town. There will be lots of customers. I can find out what they want and know how much money is needed to start. It will probably be tiring with many deliveries to make. I would enjoy meeting so many people.

USING EXPERIENCES

Your own experiences

Look at the list of your experiences and contacts, which you have. Are there any possible business ideas that you can derive from your own past experience?

Brainstorm for each type of experience.

Start with yourself. What has been your experience as a customer, in the market place?

Have you ever searched all day for some item and not been able to find it anywhere? Think about the products or services you yourself have wanted at different times and had difficulty in finding.

Other people's experiences

Listen carefully to what other people say about their experiences – they are all potential customers

Ask your family and friends about their experiences. Expand your social knowledge: talk to people you don't usually talk to - perhaps elderly people, or teenagers, or people from different ethnic groups or social class. Try talking to members of the opposite sex. Go to a different church. Have tea in different restaurants.

Ask people about their problems in finding the product or service they want.

INVESTIGATING YOUR ENVIRONMENT

You can use your creativity to find more business ideas in your area. Look at the list of businesses in your area. If your list covered a large enough section of your local market, you are probably beginning to see what industries or services your local economy depends on.

Example: John's town is a farming centre and therefore depends on agriculture as the main economic activity. It provides services to many surrounding villages. Maybe your town depends on mining, fishing, industry or tourism. Perhaps there are a number of educational or other public institutions that employ many people in your area.

It may be useful to brainstorm for good business ideas by considering all the resources and institution in your area. For example think about;

Resources from nature, people's abilities and skills, institutions, industries, import substitution, waste products, publication, trade fairs and exhibitions.

BRAINSTORMING

Brainstorming is a way of opening up your mind and helping you to think many different ideas. You start with a word or topic and just write down everything that comes into your mind. You continue for as long as you can, putting down everything even if it seems irrelevant or odd. Good ideas can grow from very strange beginnings.

Brainstorming works best when carried out with another person or a group of people, but you can also try it on your own. Many large companies use this method to come up with new product ideas.

For example, Peter asked his sister and two friends to brainstorm with him on a business idea. He has worked as a carpenter in a furniture factory for a long time so they started with the word “wood”. At first, the ideas for businesses related to wood came slowly. But soon they had many possibilities.

ANALYSE YOUR BUSINESS IDEAS AND SELECT THE BEST ONE

Screen your ideas list

By now you probably have quite a few possible ideas for your own business - at least five or perhaps over twenty. Your next task is to take this list and try to bring it down to between three and six ideas- the ones that are most suitable for you.

You can select the most suitable ideas from your list by thinking carefully about each idea. There is probably still a lot you don't know about the business on the list but the questions below will help you settle on one feasible idea.

Go through your list of business ideas and make notes about each by answering these questions:

Which

- Which customer needs do you want to satisfy?
- Which customer needs will your product or service satisfy?

What

- What product or service do your customers want?
- What quality of the product do your customers want?
- What do you know about the product or service for this business?

Who

- Who are your likely customers for this particular business? Will they be enough in number to keep your business viable?
- Who are your competitors?

How

- How will you be able to supply goods and services the customers want?
- How much do you know about the quality of goods and services the customers want?
- How does running this sort of business suit your personal characteristics and abilities?
- How do you know there is need for this business in your area?
- How do you imagine yourself running this business in ten years' time?

OTHER IMPORTANT AREAS TO CONSIDER

- ❖ Where can you get advice and information about this business?
- ❖ Will this be the only business of this kind in your area?
- ❖ If there are other similar businesses, how will you be able to compete successfully?
- ❖ Why do you think this business will be viable?
- ❖ Does this business need equipment, premises or qualified staff? Do you think you will be able to get the finances to provide what is needed?
- ❖ Where will you get the resources to start this business?

SWOT ANALYSIS

One method people often use to decide which the most suitable business idea is the SWOT analysis. It helps you focus on possible problem areas and potential advantages of each idea.

S-trengths

W-eaknesses

O-pportunities

T-hreats

Inside the business

To analyse the strengths and weaknesses of a business an entrepreneur should look inside the planned businesses. What will the business be good at and what are its weaknesses?

1. **Strengths** are the specific positive aspects, which will give your proposed business an advantage over similar business ventures and competitors. It could be that you propose to offer a better quality product or to have a location, which is located near your customer.
2. **Weaknesses** on the other hand are specific aspects that your business will not be good at. Perhaps your costs will be high because your business is located far from suppliers and you will have to pay more for transport.

Outside the business

To analyse the opportunities and threats of your proposed business an entrepreneur should look outside the business i.e. the external environment. What aspects of the external environment will benefit the business and what aspects will negatively affect the business?

3. **Opportunities** are on-going potential developments around you that will be good for your business. It could be that the demand for the product you are proposing will increase because of the influx of tourists.
4. **Threats** are probable events that may affect your business negatively. For example, the business idea could be so simple that other people may start similar businesses in your area and reduce your share of the market.

Application of the module:

Now that you have your ideas, look at the examples for business ideas below to see if some of them are here

1. Bakery & confectionary

- Breads of all sorts
- Biscuits
- Cakes, cookies from cassava, soya, banana

2. Grain utilisation

- Fried and packed g/nuts, soya seeds, maize, simsim
- Peanut butter

3. Metal works

- Windows/gates/doors
- Tools for carpentry
- Machinery/equipment
- Furniture (e.g. shelves, beds)
- Motor bodies

4. Wood work

- Ropes/strings
- Bags/sacks
- Belts
- Wall decoration
- Floor, car carpets
- Table ware
- Furniture, bed covers
- Nets

5. Art work

- Jewellery
- Making accessories

6. Green vegetables

- Processed and packed green leaves vegetables

7. Milk from cattle, goats and sheep

- Ghee
- Butter
- Yoghurt
- Milk-packing

8. Coffee

- Wet, dry coffee processing
- Dry coffee processing
- Drinking coffee powder
- Coffee Ceremonies
- Coffee berry for chewing
- Coffee husk for briquettes making

9. Fish

- Fish ponds
- Fish drying
- Fish feeds making and packing
- Piggery, poultry feeds making

10. Textiles

- Bedcovers
- Towel
- Tie & dye
- Sweaters
- Woven furniture

11. Leather

- Tanning
- Shoes, Sandals
- Wallets
- Belts
- Bicycle seats
- Handbags

12. Animal parts

- Horn
- Bones

13. Honey

- Honey processing
- Wax making

14. Wood

- Furniture
- House fittings
- Body building (e.g. lorries, boats, wheelbarrows, shelters)
- Toys and carvings
- Matchsticks

15. Clay

- Bricks
- Tiles (roofing, facing)
- Pots, cups, plates
- Clay carvings (sculptures)

16. Sand works

- Concrete blocks
- Concrete tiles

17. Fruit processing

- Fruit juice
- Fruit jam
- Tinned fruits
- Solar dried fruits

18. Potato utilisation

- Chips processing and packing
- Crisps

19. Meat processing

- Meat balls, burgers
- Sausages
- Samosas
- Meat pies

20. From the service sector

- Motor vehicle repair
- Electrical repairs (TVs, radios, flat irons, etc.)
- Motorcycle transport
- Retail shop, grocery
- Market vendor
- Photocopying machine
- Laundry and dry-cleaning
- Secretarial services
- Stationary store
- Book store
- Cafeteria/restaurant

MODULE 4
DEVELOPING A BUSINESS
PLAN

Learning objectives: By the end of the module, participants will be able to explain the value of having a business plan, understand what a business plan is and how to develop a simple business plan

How to structure this session:

1. Ask learners to think about the purpose of a business plan.
2. Ask learners to think about what would constitute a business plan
3. Ask learners to visualise a journey to a destination of their choice.
4. In a paired discussion, let the learners plan for that journey giving all the details of what is needed for the successful completion of the journey
5. Ask participants to form groups and come up with a list of possible items in a business plan, giving reasons why they have included each item
6. Let a few people share their plans with the plenary
7. The facilitator then introduces business planning and relates this to going on a journey
8. Hold discussion in plenary while referring to the business plan checklist

Business plan

Definition: A business plan is a written summary of your proposed business. It includes information about the plans, operations and financial details, its marked opportunities and strategies, as well as the entrepreneur's personal background

A business plan is a document used to summarise an entrepreneur's business aspirations, secure legal authority and mobilise resources to launch the business. Just as you need a map to help you find the route to an unknown destination, you need a plan to help you determine in which direction to go to get your business up and running. Written document explains your overall strategy and objectives in words and numbers. Your first plan should estimate your goals, your expenses, and how much you plan to charge for your services. It should also show how you plan to attract and keep customers. After you actually begin your business, you will find that the plan needs to be reviewed on an on-going basis. A business plan is a changing, dynamic document. There are no guarantees that your business will succeed but a well-written and well-researched business plan plays an important role in a business's success

Why business planning is necessary

- Business plans show you if the business can expect to make a profit in the future. It shows what money to expect to come into and out of the business. For instance, if your costs are expected to be high, there would be need to increase prices.
- A plan will be able to identify parts of the business that require improvement. In so doing, one will be forced to think about every part of the business. To work out a plan, one must therefore think carefully about everything that affects the business

- A business plan makes it possible to access a bank loan because most banks are interested in knowing the expected sales, costs and anticipated profits as well as cash flows before offering a loan.
- It forces you to think deeply and plan every detail properly before you start your business.
- It helps you to determine the direction you want to move in.
- A business plan serves as a map against which you can determine your process.
- A business plan provides details of resources required and can be given to potential investors/financiers.
- A business plan indicates chances for success and potential critical points.

Checklist for business plan: think about the following issues (not an exhaustive list).

- **The product**
 - ❖ Why would customers buy the product/service?
 - ❖ Are the product specifications clear and acceptable?
- **The market**
 - ❖ Geographical description of the business location
 - ❖ Is there local demand for the product and if not, how can it be created?
 - ❖ Who are the big competitors, how can you counteract them and their influence?
 - ❖ How many competitors does the business have? If they are many, your market share is low, which means that aggressive promotion is necessary to ensure visibility.
 - ❖ Does your product need publicity and if so, what expenses would that incur?
 - ❖ What is the trend in the selling price? Is there any seasonality?
- **Technical factors**
 - ❖ Have you selected all the necessary equipment? What are your reasons for this selection?
 - ❖ If you buy machinery, check if you have a guarantee and if after sales service is included.
 - ❖ Do you know where to source the equipment from? Who is the supplier?
 - ❖ Do you have the necessary skills and if not, where can you get them?
- **Infrastructure**
 - ❖ Is the working/selling space adequate for your business operation to function?
 - ❖ Are ownership/tenancy documents for the land/shop/workshop in order?

- ❖ If water is required for your business to operate, is it available close by?
- ❖ Do you have/need a supply of electricity?
- ❖ Is transport of raw materials or finished goods a critical factor and if so, how do you plan to handle it while minimising costs?
- ❖ Do you need to register your business? What are the legal requirements?
- **Financial analysis**
 - ❖ Have you done financial calculations of needed costs, resources, income etc?
 - ❖ Have all the costs of production been included in your calculations?
 - ❖ Does the business generate enough cash from the beginning so as to meet immediate liabilities (e.g. rent, loan repayment).
 - ❖ Check your cash flow projections. Are they realistic?
 - ❖ Check all estimates of capital required as well as running costs.

SECTION 1: MARKET ANALYSIS

Learning objectives: By the end of the session, participants will be able to

- Define market research
- Know how to identify their likely competitors
- Know how to identify the likely demand from customers

A market is an area of potential exchange, i.e., there are potential buyers (customers), and people who are willing to sell products or services. Prices are affected by the forces of demand (of products) and supply (by sellers).

- ❖ **A product** is anything that can be offered to a market for buying, use or consumption that might satisfy a want or need, for example, eggs, coffee, and mangoes.
- ❖ **A service** is performed when one group offers something to another. A service is not tangible and does not result in ownership of any kind. Examples include training services, and public transport services.

Market research

Market research is conducted in order to collect information, which enables you to make the right decision on the marketing of your product/service. The main focus within this activity is to find out as much as possible about people's buying habits and your competition.

Market research is a systematic, objective collection and analysis of data about a particular target market, competition, and/or environment, often conducted as the first step in identifying the viability of business ideas. It always incorporates some form of data collection whether it is secondary research (often referred to as desk research) or primary research which is collected direct from a respondent.

Having developed a business idea you first need to know about your potential customers and competitors so you can position your business to maximise customers and overcome competition from others. Market research helps to assess the viability of a business.

Note: It is necessary to define your potential market for the product/service you plan to offer. This could be a village, parish, sub-county, district, region or nearby cities. There are youth groups that produce dried fruits for export. Do not commit yourself to much in the beginning.

How to do market research

1) Talk to potential customers.

Ask them, for example:

- What products or services they want to buy?
- What do they currently buy?
- Where do they buy?
- Why do they buy from *XY*?
- When do they buy?
- How much do they buy?
- Which price do they pay?
- What are their preferences?
- Do they get any extras?
- What do they think about your competitors?

2) Study your competitors' businesses.

Find about:

- Their products or services, for example quality and design
- What prices they charge
- What exactly do they sell?
- How does their product differ from yours?
- Where do they get their inputs?
- Where do they sell?
- How do they promote their product/service?
- Do they have any special approaches to customer care?
- How can you compete?

Important note: Be very careful to carry out your research in a friendly, sensitive way; ask questions and also observe – be aware: nobody likes more competition!

3) Ask suppliers and business friends

- Which goods sell in their business
- What they think about your business idea
- What they think about your competitor’s product.

Checklist for Market Survey

Instructions: Go out into town with your small group, and find a business that most closely matches the “best business” that you identified in Module 3. Find out if the owner/manager, or an employee has some time to answer some questions for you. Try to gather as much information as you can, based on the categories/potential questions below. If there is time in the two hours that you are out in the field, do the same with a second business, so that you can compare answers. Record what you find out in the middle column. The column on the right is for your own comments, analysis, suggestions, reactions, etc. Remember to be respectful of the person’s time – he/she has a business to run – and only take as much time as he/she wants to give. Also, keep in mind that there are some questions that the person may not feel comfortable answering, so be respectful of that as well.

Checklist: Categories of information to be collected for market survey

Category/Question to be asked	Information gathered during survey	Further Questions/ Comments
Who are customers		
Working place and costing		
Cost of owning or leasing premises		
Availability, supply and cost of raw materials		
Availability of staff		
Cost of working tools and equipment		
Competitors analysis		
Advertising Methods		
Tax issues and legislation		
Challenges		

SECTION 2: FINANCIAL ANALYSIS

Learning objectives: By the end of the section, participants will be able to:

- Develop a budget for their enterprises
- Know how to find out costs of starting a business and how to find out whether or not a venture will be profit-making
- Understand what types of resources are needed to start up a business and know how to identify resource providers

BUDGET

Every enterprise must have a budget. A **budget** is a calculated estimation of the value or price of the project and is always composed of the *expenses* – the costs of the project – and the *income* – the resources brought into the project to cover the expenses. Without a budget, it is impossible to control the project, and it is impossible to know if it is feasible. If you do not know how much it costs you will not know how much you need.

Income

Include all sources of funds necessary for the project (your organisations own resources, participants' contributions, grants, materials and services donated or loaned and amount requested from backers).

- Estimate the rental cost of material loaned or donated by sponsors.
- The total amount requested must be made clear (and must not exceed the maximum usually granted).
- Calculate total receipts. This figure must be higher than total expenditure (otherwise there will be no profit).

Expenditure

- List all expenses connected with the project.
- Estimate the cost of all outgoings (in the currency specified on the form).
- Your estimate must be realistic (show how you have arrived at the final sum).
- Expenditure must correspond to the anticipated programme of activities
- Estimate the rental cost of any material loaned by the private sector and include it under expenditure (and receipts).
- Calculate your total expenditure.

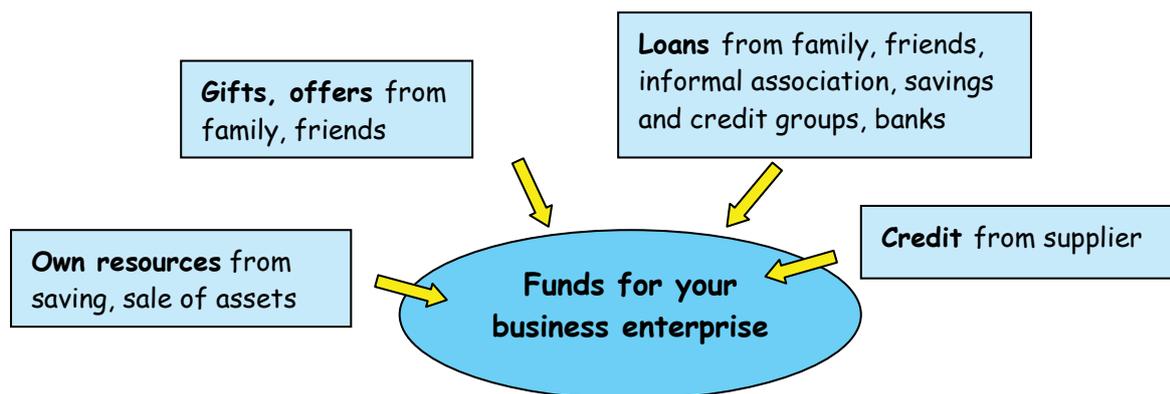
A simple format for a budget

Activity	Amount in (Currency)
Income (money in)	
Total Income (money in)	
Expenditure (money out)	
Total Expenses (money out)	
Savings	
= + Surplus/-Deficit (Money In - Money Out)	

Resource mobilisation

To mobilise resources effectively, consideration must be given to three elements, which together are referred to as a resource mobilisation framework. The three elements of the framework are 'resources', 'mechanisms' and 'resource providers'. If necessary, define each of these three and clarify their meaning by providing some examples.

- **Resources** - Money is one of the key resources that all projects need to be able to function and carry out their work. However, there are other resources that are also useful to starting a business. Examples include skills training, staff, inputs (e.g. seeds, tools, land etc).
- **Resource mechanisms** - Resource mobilisation mechanisms are the ways that resources can be mobilised from resource providers. Mechanisms are the actual processes of requesting or getting resources – for example, writing proposals, holding fundraising events, selling services, Selling products, face-to-face meetings, etc.
- **Resource providers** – Resource providers are the sources of funds and include banks, micro-credit agencies, government agencies, and charitable organisations.



The above sources however have both advantages and disadvantages as shown below.

	Advantages	Disadvantages
Own resources	<ul style="list-style-type: none"> • Own decision • Own planning & timing • Full control and benefits • No extra costs (interest) • Self-reliance motivating 	<ul style="list-style-type: none"> • Capacity of individuals limited • Danger of relaxation in business management • No sharing of risks
Gifts, offers	<ul style="list-style-type: none"> • Free • No extra costs involved 	<ul style="list-style-type: none"> • Not reliable • Not timely • May be tied to other person's agenda, wishes

Loans	<ul style="list-style-type: none"> • Extra resources • Enforces discipline • Induces external control 	<ul style="list-style-type: none"> • Interest charges • Not timely • Tight repayment regime • External control of ones business • Risk of loss of ones other assets in case of failure
Credit (esp. from supplier)	<ul style="list-style-type: none"> • Sure way of obtaining supplies • No interest charges • Reduction in operating expenses 	<ul style="list-style-type: none"> • High prices • Inferior supplies • Inflexibility in planning supplies • Dependency on supplier
Grants (public or private)	<ul style="list-style-type: none"> • Free • Higher amount 	<ul style="list-style-type: none"> • Consider specific levels (local, regional, national, international), sectors (e.g. health, agriculture, politics) and target groups (e.g. youth, orphans, women) • Strict rules for application and accountability • High competition

A new entrepreneur should investigate as many sources of funding as possible in order to secure the best terms and conditions of repayment. The most important types of start-up funding are owner's equity, loans (personal or from a lending programme) and grants.

Owner's Equity

This is the private money one puts into the business. It is sometimes called risk capital because if the business fails, you lose this money. Investing your own money in a business is risky; however it puts less pressure on the business rather than borrowing. Investing your own capital may be risky but it shows that you have faith in your business idea. This can encourage others to invest with you. If you don't have enough capital you can try and find a partner who may be interested in the same business idea. A partner may or may not be work in the business but can invest money in it. Ensure you have clearly-defined terms of partnership to avoid unnecessary misunderstanding later.

Loans

A loan for start-up capital refers to borrowed money which you will pay back at a later date with interest. The loan may be paid back in full in one or several instalments depending on the agreement. A loan inherently puts significant pressure on the business due to the requirement to pay it back. The more you borrow the more you pay in terms of interest and instalments.

You may borrow money for:

- ❖ Land and buildings.
- ❖ Equipment.
- ❖ Working capital.

These are some of the possible requirements when applying for a loan:

- A thorough business plan with a business idea that the lending institution believes in.
- Some kind of collateral may be required. Collateral means security that the lending institution has for the repayment of your loan. This may be your business if you own one, your home, machinery and any other equipment.
- Being an account holder or member of a bank, credit institution or association and having operated an account successfully for some time
- Having a certain percentage (part) of the total loan as security in your account
- Information on yourself/yourselves and your ability to repay the loan
- Having a minimum age (mostly 18 or above)
- Referees, guarantors (honest people with a good reputation)

When is it useful to get a loan?

- When there is a justifiable financing gap in your business funding plans
- When other options such as saving and group-financing are not possible
- When there is the need to take up an urgent opportunity that could lead to quick profit

Where can you borrow?

- Banks and financial institutions
- Societies and associations
- Friends, relatives, family members
- Suppliers
- Government
- Savings and Credit Cooperatives

Types of loans

- Group loans
- Loans with formal banking institutions (such as SACCOs)
- Individual loans
- Loans with informal savings groups and associations

Before one borrows money, they should consider these factors seriously.

- Develop a solid business plan including total funding requirements and running costs for the first few months

- Develop a financing plan including identifying funding sources
- Identify and approach financial institutions in your area
- Obtain the terms and conditions for the loan to be availed
- Compare them with those of other financial institutions around
- Check your business plan to establish the implications of such a loan (monthly repayment and interest rates will affect your income/profits). Check if your business can cope with these implications
- Initiate further discussions with the financial institution or association

Grants

A grant is an allowance that a government or organisation gives to support small business creations in the country. Government and non-governmental organisations sometimes give grants to potential entrepreneurs to support them in starting small businesses. Further information on accessing funding through grants is covered in a later session.

SECTION 3: REALISTIC PLANNING

Milestone-planning for the realisation of your business will have an essential influence on the financing and risks associated with the business. Planning helps you to think your way through all the aspects and to analyse the effects of individual steps in implementation.

However, realistic planning is not simple, more so when founding a new business. In spite of this, attempt to carefully sketch the individual steps needed to implement the business plan. In this way, you gain credibility from your backers and business partners and enhance the chances of success for your business.

Four simple rules can help simplify realistic planning for you:

1. Subdivide the tasks into packages

Since there is a great deal of detailed work to be carried out when setting up a business, there is always the danger of losing sight of the big picture. Thus you should always organise the individual activities in “packages.” The business plan should, however, not contain more than ten such packages; you can specify them further at a later date. A concrete objective is to be set for each package.

2. Ask the experts

Make use of the expertise of specialists in order to underpin major steps in planning. Marketing specialists, for example, could show you how long it will take to develop and conduct a given campaign.

3. Set priorities

Every overall planning concept comprises a series of events and assumptions that in some cases run in parallel and are linked with one another. Certain activities can, if delayed, endanger the entire project – similar to assembly line production that comes to a halt, if

certain parts are lacking. Activities such as these are referred to as the “critical path.” You should devote particular attention to them in your planning

4. Reduce risks!

Try to schedule activities that will reduce risks at the beginning of the implementation. You could, for example, carry out a market survey immediately or just shortly after market entry. If you do not carry out such surveys or polls until a later point in time and find that there are not enough customers for your product, all your previous work may have been in vain:

CONTENTS OF A BUSINESS PLAN

1.	General description of business	<ul style="list-style-type: none"> • Name of business, business location and address • Nature of business activity • Type of business organisation (partnership, cooperative, new, old,) • Any further explanation summarising why the business will be successful
2.	Personal background	<ul style="list-style-type: none"> • Name of business owner(s), promoter(s) • Educational, professional background • Relevant experience in business-related activities
3.	Market plan	<ul style="list-style-type: none"> • Business market area and targeted customers/ customer groups • Why you will be able to compete with existing products/ services and how do you compare competitors (price, quality, appearance, performance,) • Past, current, future (projected) market demand for your product/service (if possible in terms of volume/units per day/months) • Suppliers and supply terms and conditions • Unit pricing and list of all items/services being offered • How you will be selling your produce (direct, dealers) • Tip: Include the market research survey report as an annex
4.	Business management plan	<ul style="list-style-type: none"> • Who will be the actors in this business • Specify their roles and the division of labour (if applicable) • How will the business work be organised (e.g. working shifts, working times, working conditions)
5.	Financial plan	<p>Investments required</p> <ul style="list-style-type: none"> • Fixed assets/starting equipment (e.g. land, tools, machinery) • Preliminary expenses <ul style="list-style-type: none"> ○ Pre-operative expenses (e.g. legal fees, licensing fees, bank charges,) ○ Start-up expenses (e.g. water, electricity connection, cleaning of premises, etc.) • Working capital (raw materials, rent, water, transport, etc.)

6.	Sources of raising funds	<ul style="list-style-type: none"> • Total requirements <ul style="list-style-type: none"> ○ Own contributions/investments ○ Family/friends contributions ○ Already secured loans, credits etc ○ Total funds available • Deficit/funding gap <ul style="list-style-type: none"> ○ Loan support required
7.	Operating plan forecast	<ul style="list-style-type: none"> • Projected operating income statement <ul style="list-style-type: none"> ○ Income from sales ○ Less cost of production and overhead/fixed costs → Net profit • Break even analysis • Cash flow projection
8.	Major assumptions	Give the assumptions you've made that underpin your plan e.g. assumptions that particular resources will be available
9.	Business profile	Summary that shows all major aspects on one page

Developing a Business plan

1. Divide learners based on their groups or places they come from.
2. Using the business plan template, ask learners to develop business plans for their potential businesses.
3. The learners make their presentations and receive feedback from the plenary
4. Ask learners whether they can apply this information

BUSINESS PLAN TEMPLATE

NOTE: A business plan is a document that describes your business details and giving goals and objectives and lists the steps you will undertake

SECTIONS OF YOUR BUSINESS PLAN

- A. Cover page
- B. Table of contents
- C. Executive Summary
- D. Statement of Purpose
- E. Business Description
- F. Organisation and Management
- G. Production Plan/Operational
- H. Risk Reduction

I. Financial Plan

A. COVER PAGE

- i. Business Name.....
- ii. Business Address.....
- iii. Name of Presenter
- iv. Organisation presented to.....
- v. Date of presentation.....

B. TABLE OF CONTENT

Give numbers of various key sections of your business plan

C. EXECUTIVE SUMMARY

Give brief overview of your business highlighting the key features.

What is the business about, products/services on offer, market-main customers, human resource

The organisation's structure, financial summary-projected income and assets among others.

D. STATEMENT OF PURPOSE

Outline the purpose of the business plan

E. BUSINESS DESCRIPTION

- i. Business Location address
- ii. Business Ownership(nature of the business)
- iii. Products/Services offered
- iv. Industry which the business will operate under
- v. Justification of the business
- vi. Short term and long term goals
- vii. Entry and growth

F. MARKETING PLAN

Highlight how your plan to market your products/service i.e. how do you intend to reach your target?

- i. Outline the characteristics of the potential customers

ii. Competition

- Who are the main competitors?
- What are their strengths?
- What are their weaknesses?
- How do you intend to capitalise on their weaknesses?

iii. Market share - expected total market share

iv. Pricing strategy; outline your pricing strategy

v. Advertising and promotion; outline your pricing and promotion strategy

- Initial plan
- Long term strategy
- Distribution strategy
- Sales tactics; outline your sales tactics

G. ORGANISATION AND MANAGEMENT

i Organisation structure (draw your organisational chart)

ii. Management team

State the composition of your management team, its qualification/post, duties and responsibilities

- Other personnel (What other employees will you require?)
- Outline how you will recruit and train your staff

iii. Remuneration of staff

Highlight how you will recruit, train and develop your staff

iv. Remuneration/incentives (How will you remunerate them?)

- Salaries/wages
- Fringe benefits

v. List the support services required

vi. Licenses/permits

- Required licenses/permits
- Who will provide the licenses /permits and at what cost

H. OPERATIONAL/PROCEDURAL PLAN

Describe briefly how you will operate your business

- i. Production facilities and capacity utilisation
- ii. List the machines, equipment and tools required
 - Describe the cost, capacity and supplier of required machines and equipment
- iii. Production strategy
 - Outline the materials requirement
 - What is the material cost
 - Outline the source
- iv. Production design development
 - Outline how you will design and develop your product
 - What will it cost to design and develop your products?
 - Outline the estimated cost of product/service Direct Material cost+ Direct labour cost+Overheads
- v. Relevant regulation
 - List the patents and regulations needed
 - What is the cost of obtaining the patent trademarks?
 - List other legal rights will seek

RISK REDUCTION STRATEGIES

- i. Outline how you will analyse and reduce business risks
 - Future business risks

FINANCIAL PLAN

Identify how you will obtain and use business finance

- i. Pre-operational costs
 - a. Outline your pre-operational cost
 - b. What is our proposed capitalisation capital?
 - Own contribution (your capital)
 - Funds from borrowing sources
 - Total investments

- ii. Identify the working capital requirements
 - a) Prepare your income statement (Template A)
 - b) Prepare your balance sheet (Template B)
 - c) Prepare your projected cash flow statement (Template C)
 - d) Outline how you expect to finance your operations
 - e) Outline your initial capitalisation for existing business
 - f) What is your proposed capitalisation?
 - g) What is your break-even level?
 - h) How do you measure your profitability?

MODULE 5

MARKETING

Learning Objectives:

By the end of this module, learners will be able to:

- Define marketing concepts.
- Describe the role of marketing in achieving the goals of a business enterprise.
- Apply the various marketing strategies in their businesses.

Marketing concept

Activity

Activity name: <i>In the market.</i>
Objective of activity: Participants will get to practice marketing skills in an enactment of a practical solution.
Materials/handouts needed: Any goods in the classroom that can be sold e.g. pens, participants mobile phones, scarves, etc.
Instructions: In this exercise, all the participants act as individual sellers trying to sell a self-made item and the facilitator acts as the customer. Participants are given materials for production (use plain papers/newspapers or available materials. Alternatively, the trainer can give one set of participants the same item e.g. ball point pens, toilet rolls, plastic forks to use as their product. After production (or being issued with the item), the mini market will be opened to the customer (facilitator).He/she walks around listening to one seller after the other as they advertise their products or services. Finally the 'customer' chooses only three or less products or services he/she wants to buy and acquires them in a real selling buying scenario.
Reflection questions: <i>Participants to reflect on the exercise.</i> <i>Draw conclusion from the exercise</i> <i>Apply in their real life situation</i>

What is marketing?

Marketing is the effort to identify and satisfy customers' needs and wants. It involves finding out who your customers are, what they need and want, the prices, the level of competition. It involves the knowledge and all the processes you undertake to sell your product.

Marketing answers the following questions;

- Who are my customers?
- What are my customer's needs and wants?
- How can I satisfy my customers'?
- How do I make a profit as I satisfy my customers?

Who are your customers?

Your customers are the people or other businesses that want your products/ services and are willing to pay for them. They include;

- People who are buying from you now.
- People you hope will buy from you in the future.
- People who stopped buying from you but you hope to get them back.

What are my customer's needs and wants?

An Important point to note is that customers want to look at different products so that they can choose what they like best. Some customers want a different design and others want high quality and are willing to pay extra for that.

How can I satisfy my customers'?

You need to do everything to find out who your customers are and what they need and want in order to satisfy them improve your sales and make a profit. You need to find out;

- Products/services your customers want.
- Price your customers are willing to pay.
- Location of your business in-order to reach your customers (Place).
- Promotion to use to inform your customers and attract them to buy your products or services.

THE 4 P'S OF MARKETING

Activity

Activity name: Market simulation activity

Objective(s) of activity:

Participant will get to experience marketing through a live simulation.

At the end of the activity participants will be able to;

- *experience the interplay of factors influencing the market such as price, product, place and promotion*
- *realise the difficulties new entrepreneurs have when entering the market place*
- *observe the impact of different marketing strategies on the capturing of market share*

Materials/ Handouts needed:

- Materials found in the classroom e.g. pens, mobile phones, bag, shoes etc.
- Pen
- Paper

Instructions:

1. Divide participants into buyers and sellers.
2. In the first round, four sellers set up shops in demarcated areas of the training room and sell their allocated products to the buyers at a set selling price.
3. The buyers are divided into high, middle and low-income groups. Each income group is given a limit on how much it can spend to purchase products.

Reflection questions:

- What are your thoughts on your experience of the exercise?
- What have you learnt about marketing and competition analysis during the exercise?
- What lessons can you apply in your business today?

Extension/ Simplification options:

1. One of the, buyers in this round is an entrepreneur who wants to start a business.
2. In the second round, he/she (entrepreneur) uses the opportunity to study the competition and potential customers and develop a marketing strategy that will ensure a profitable market share is captured.
3. In the second round the fifth seller enters the market and applies his/her marketing strategy.
4. The second round is less restrictive than the first round as selling prices, demarcated areas and products are not allocated to sellers. The fifth seller's success depends on the strategy applied, his/her selling ability and how the other competitors respond to their market shares being encroached upon .The role of the fifth seller is similar to that of the participants, after the training, as they are new entrepreneurs about to enter an existing market.

1. PRODUCT

Product refers to goods/services produced for sale, the product /service should relate to the needs and wants of the customers

Some important questions you need to ask yourself include;

- What products/services do I sell?
- Why did I decide to sell these products?
- Do I have the products customers want?
- Do any of my products not sell well?
- Do I stock products that do not sell well?
 - ✓ Always listen to what your customers like and don't like. When their needs change, change your products and services to satisfy the new needs.
 - ✓ Do more market research in order to provide those products or services and increase your sales.
 - ✓ If your product is not selling well, think of new ideas like finding new customers.

2. PRICING

Pricing refers to the process of setting a price for a product/service. Your prices must be low enough to attract customers to buy and high enough to earn your business a profit.

To set your price you need to;

- Know your costs.
- Know how much customers are willing to pay.
- Know your competitors price.
- Know how to make your prices more attractive

3. PLACE

Place means the different ways of getting your products or services to your customers. It is also referred to as distribution. If your business is not located near your customers, you must find ways to get your products/services to where it is easy for customers to buy. You can distribute your products to your customers through;

- Selling directly to the consumers of the products.
- Retail distribution and wholesale distribution.

4. PROMOTION

Promotion means informing your customers of your products and services and attracting them to buy them. Promotion includes advertising, sales promotion, publicity and personal selling.

Use advertising to make customers more interested in buying your products or services. Some useful ways of advertising include signs, boards, posters, handouts, business cards, pricelists, photos and newspapers.

You can use sales promotion to make customers buy more when they come to your business, you could also;

- Ensure you maintain attractive displays.
- Let customers try new products.
- Have competitions
- Give demonstrations
- Sell complementary products (products that go together)

MARKET RESEARCH

By the end of this session, the learner will be able to;

- Understand the concept of marketing and the marketing strategy (the 4Ps)
- Define market research and learn of its purpose.
- Conduct an interactive market assessment.

Before starting a business, it is absolutely important to know the market conditions, in which the business will be operating: What are the customer needs? Who is the competition? What are the prices at which products and services are sold? These are

only some of the questions that need to be clarified before starting. So, after having come up with a brilliant idea, you need to check if it can work in the market. You need to carry out a market survey. The main focus within this activity is to find out as much as possible about your potential customer's buying habits and competition

- What do they buy?
- Where do they buy?
- Why do they buy from XY?
- When do they buy?
- How much do they buy?
- Which price do they pay?
- What are their preferences?
- Do they get any extras?

The Marketing Process

Market research: is the gathering of information that ties a small enterprise to its customers. It provides the information that is necessary for companies to correctly position their product in the marketplace and offer the best combination of product, price, place/distribution, promotion, and person.

Well-designed market research gives a person an edge on their competition, reduces their risk, and improves the effectiveness of their enterprise activities. Quality market research is the key to success for the small entrepreneur. If a person does not understand their customer and their needs they will likely fail in their enterprise.

Why Conduct Market Research?

- To develop product, price, promotion, place/distribution, and people plans
- To identify problems in their marketplace and discover new opportunities
- To learn about competitors and how they are marketing their products.
- To find out what consumers think about their product category
- To gauge the performance of existing products

Market research involves the organised, objective collection and analysis of the above data. It is often conducted as the first step in identifying the feasibility of an enterprise idea. It always incorporates some form of data collection and is either secondary research (often referred to as desk research) or primary research (direct from an individual).

How to conduct market research

Talk to potential competitors to find out;

- Their products or services (for example quality and design)
- What prices they charge
- What exactly they sell
- How their product/services differ from yours
- Where they get their inputs?
- Where they sell?
- How they promote their product/service
- Any special approaches to customer care
- How you can compete

Important note: Be very careful to do research in a friendly, sensitive way; ask questions but also observe, be aware: nobody likes more competition!

Ask suppliers and enterprise friends.

- Which goods sell in their enterprise
- What they think about your enterprise idea

Example of a marketing action plan:

NO.	Target Customers	Products to be sold/ supplied	Their preference need for the product (e.g. quality, colour, size)	Mode of delivering	Target sales per month or week
1					
2					
3					
4					

MODULE 6

COSTING AND PRICING

Learning Objectives:

By the end of this session, learners will be able to:

- Learn about the cost of starting an enterprise.
- Determine whether or not the venture will make a profit.
- Identify the various influences on price and understand the methods used to determine the best price for a particular product

Introduction to Costing

To be able to set your prices and making financial plans, you need to calculate the cost of manufacturing or providing your products or services. Costs are all the money needed to operate your business. Costing is the way you calculate the total cost of making or selling a product, or providing a service. It will allow you to calculate the net profit you can make from your business.

What is costing?

Costing is the process of establishing the exact amount paid to produce or provide a product or a service.

Importance of costing

- To determine what price you should sell your product/ service
- To evaluate how much profit/loss your business is making
- To know which items cost too much so that you can develop alternative ideas.
- To find out how much each product/service costs

Costing helps your business to:

- Set competitive prices for your goods and services.
- Reduce and control costs
- Make better decisions about business.
- Plan for future needs of the business.

Types of costs

1. Fixed costs

These are costs that do not change with the level of production. They are incurred even if no production takes place e.g. rent of premises.

2. Direct cost

Direct cost refers to costs which are directly connected with the production of products or services. Examples include the cost of raw material, stock, cost of labour (wages), transportation and handling expenses

3. Variable costs

These are costs that are directly related to the level of production. They increase or decrease in direct proportion to the level of production. For example: raw materials, stock, cost of packaging, transport, handling of goods and electricity (if machines are used).

4. Indirect cost

These are costs that relate to the running of the business but not directly to the production process. Examples include maintenance costs, equipment, electricity, and interest on the loan.

Product Pricing

Prices of products and/or services:

Pricing is the monetary value of a product or services that you charge to cover your total costs (direct and indirect costs) and profit that you desire on each unit of product or service.

Mark Up

When you add a certain percentage of profit desired on the sale of a product or service, it is called a mark up. For example: If you desire to mark up the cost of a wooden cupboard by 20% and it cost you 13,000 to make, the following is the calculation;

Your cost	=13,000/
Mark up - 20%	=2,600/
Selling price	15,600/=
Your selling price	=15,600/=
Cost	=13,000/=
Profit	=2,600/=

Price is important in all business ventures. This is because it determines the profits that the entrepreneur will make. In setting the price, one has to make marketing mix decisions, estimate the demand curve, calculate the cost, understand the environmental factors, set pricing objectives and determine the selling price.

A formula that articulates how to estimate the selling price is:

$$\text{Selling price} = \text{cost of goods sold/unit} + \text{Operating costs/Unit} + \text{Desired profit/unit}$$

Factors that influence pricing

1. Nature of the market: open market with little competition - abundant supply and low demand normally means low prices, and vice versa
2. Consumer demand for a product; customers generally buy more of a product when prices are low.

3. Costs in the distribution channel; If a product is sold through a middle-person the price charged will be affected by how that middleperson treats the product.

Once the influences on price have been considered, the entrepreneur must develop goals for the product price. These goals could be to maximise profits, maximise sales volume or establish a competitive position. After all of the above factors have been considered, the process of setting the product price begins. It requires research and careful consideration.

BREAKEVEN ANALYSIS

A **breakeven analysis** is used to determine the volume of sales your business needs to start making a profit. The breakeven analysis is especially useful when you're developing a pricing strategy, either as part of a marketing plan or a business plan.

$$\text{Break Even} = \frac{\text{Fixed costs}}{\text{Revenue per unit} - \text{Variable cost per Unit.}}$$

Why is it important to determine the cost of goods/services/offered by an enterprise? Let's pick an example of a woman selling tomatoes

<i>Daily Sales*</i>	Ksh.
20 kg tomatoes @ Ksh. 15 per kg.	300
<i>Daily Expenses</i>	
Cost of tomatoes: 24 kg @ Ksh 10 per kg.	24000
Transport	20
Market fee	10
Total expenses	2700
<i>Profit</i>	30

Calculating the cost of the tomatoes per kg

What determines the cost per kg, apart from the purchase price of tomatoes, the level of wastage and the expenses? Suppose only 10 kg of tomatoes are sold every day. What will be the cost of one kg of tomatoes?

Let's go back to the original figures for the tomato vendor but without the quantity sold and sales figure. Imagine that this is an estimate of costs and selling prices for a proposed new micro-enterprise. You are asked to advise on whether this tomato-selling business is feasible. You have to help this woman to work out what would be the minimum level of sales necessary to cover her costs and earn the wage which was earlier agreed to be reasonable.

What steps do we need to take to determine this?

You should be able to realise that the minimum level of sales can be calculated by finding out how much each kg of tomatoes contributes to the fixed costs, that is, how much of the selling price is left after deducting the variable costs per kilogram?

Activity	Amount in KSH
Selling price per kg	15.00
Variable cost per kg (purchase price plus allowance for wastage)	12.00
Margin or 'contribution' per kg	3.00
Total fixed costs and personal drawing/wage	50.00
Number of kg that must be sold to cover total fixed costs and personal drawing/wage (=Ksh 50/3 = 16.66)	17.00

The number of kg that must be sold to cover the fixed cost is 17.

What we have now calculated it is what is called the 'break-even point' for the tomato vendor, that is, the level of sales at which she makes no profit (beyond the wage) and no loss.

This figure provides a vital guide when someone is proposing to start a new micro-enterprise, and it is also useful when advising someone whose business is losing money. If it appears possible to reach the break-even point, it may be worth continuing the business, but if not, it may be necessary to make fundamental changes or even to close the business down.

An entrepreneur should be able to realise that the minimum level of sales can be calculated by finding out how much each kilogram of tomatoes 'contribute' to the fixed costs, that is, how much of the selling price is left after deducting the variable costs per kilogram.

Price-setting and profit calculation

Definitions

Profit: is net income: total earnings after expenses are considered. Profit is the money a business makes after accounting for all expenses. Making profit is the goal of every for-profit company

Revenue: the total amount of sales during a specific period, including discounts and returned merchandise.

Price: the sum or amount of money or its equivalent for which anything is bought, sold, or offered for sale.

Sales Volume: quantity or number of goods sold or services rendered in the normal operations of a firm in a specified period

Expenditure: actual payment of cash or cash-equivalent for goods or services

Some simple formulas;

Profit = Revenue - Expenditures

Revenue = Price x sales volume

Expenditure = Material + Labour + Transportation...

Price = Cost + Profit

Ways to Increase Profit

In order to increase profit one or both of the following must be done:

- Increase Revenue.
- Reduce Expenditure.
- Revenue can be increased by taking measures on the marketing mix. The marketing mix is a planned mix of controllable elements of a product's marketing plan commonly termed as 4P's: product, price, place, and promotion. These elements are adjusted until a right combination is found that serves the customers' needs while generating optimum revenue.

Examples of increasing revenue include:

- Selling more by reducing price
- Aggressively promoting the product
- Changing places where it is sold.
- Making the product more attractive.
- Increasing quality, etc

Expenditure can be reduced by taking measures on cost components between the producer and consumer. Examples of reducing expenditures include;

- Acquiring supplies from more affordable sources
- Joining with other traders to reduce the cost of transportation or selling costs

MODULE SEVEN

OPERATIONAL MANAGEMENT

Learning objectives:

By the end of this unit, participants will be able to:

- Understand the basic organisational structures required for proper business management and smooth operations
- Understand the roles and responsibilities of each position in the organisational structure
- Understand hiring processes and the development of job descriptions.

A business organisation needs careful planning, coordination, implementation and controlling so as to ensure its proper management and smooth operation. This module deals with the management of income generating activities among saving and credit groups and/or associations. Hence, after completing this module, participants: develop a clear picture of the organisational structure in business firms, understand the roles and responsibilities of each organ in the structure, are familiar with the steps in recruiting the right worker for their business and know how to prepare job descriptions.

1. Organisation structure

The savings group/association has members who run either joint or individual businesses, and an executive committee that coordinates and manages the group/association activities.

Activity:

Activity name: Organisational structure
Objective(s) of activity: Enable participants understand the organisational structure of a business organisation
Materials/handouts needed: General Assembly: consists of all the members of the group/association. The General Assembly of a group/association consists of members that have the right to elect and be elected for the executive committee members'. It is the supreme body of the group/association to make decisions. The general assembly meeting will be conducted when seventy five percent of the members constitute the General Assembly. The General Assembly decides by consensus or vote of majority of members present. Executive Committee: a committee given responsible for guiding and coordinating the activities of the group/associations by delegation from the general assembly. They are elected from members by the members. The executive committee has five members with different responsibilities (Chairperson, Vice Chair, Secretary, Treasurer and Member). Finance Officer (Internal Auditor): a professional responsible for internal control and who checks financial records of the group/association on a regular basis and reports the findings to the General Assembly. Employed personnel's/ professionals: groups/association may employ professionals in areas where they lack specific technical knowhow. These personnel run the day-to-day activities of the association/group as required.

Instructions:

1. Divide the participants into groups of three or four based on their responsibility in the group/association (Chairperson, Vice Chair, Secretary, Treasurer and Member)
2. Each group will prepare the organisational structure of their respective group or association
3. The group representative will share the group findings
4. The facilitator summarises the finding based on the handout.

Reflection questions:

Do you have a similar organisational structure?

If not what is the difference?

Why do we need such structure?

2. Roles and responsibilities of organ in the organisational structure

Activity:

Activity: Roles and responsibilities of organ in the organisational structure

Objective of activity: Enable participants understand their roles and responsibilities in their business

Materials/ Handouts needed:

1. General Assembly

- Has the overall responsibility of the group/association
- Elects the Executive Committee members
- Decides on the demand for employment of professionals
- Approves the recruitment of new members into the groups
- Determines monthly savings
- Approves plans and reports
- Appoints an internal auditor
- Meets at least every month or an emergency meeting can be called as deemed necessary

2. The Executive Committee

The Executive Committee of the group will be elected by the General Assembly and serves for one to two years. The Committee;

- Is accountable to the General Assembly
- Is collectively responsible for the smooth running of group/association activities
- Supervises the performance of employees
- Meets at least once a week
- Supervises the proper management of the group finances and properties
- Prepares plans and ensure its implementation
- Prepares and submits reports to the General Assembly

3. Duties and responsibilities of Executive Committee members Chairperson

- Leads the group/associations towards its objectives
- Develops the team spirit and motivates members
- Supervises and coordinates daily activities
- Prepares, calls and conducts meetings
- Supervises the implementation of the General Assembly's decisions
- Supervises financial and property management
- Countersigns on cheques and expenditures
- Supervises documentation
- Represents the group in different meetings
- Signs contracts with concerned bodies representing the group/associations
- Creates market network with others representing the group/association
- Ensures that group/associations activities are planned and implemented accordingly
- Prepares reports of the group/associations including profit and loss
- Monitors the activities/and facilitates the improvement of the business activities

Vice-Chairperson

- Performs all duties and responsibilities of the chairperson in his/her absence
- Performs other duties assigned by the Executive Committee or chairperson
- Assists the chairperson in managing the group/association

Secretary

- Is responsible to the chairperson
- Takes minutes of the General Assembly and of the Executive Committee meetings
- Prepares reports of the group/association activities
- Organises and keeps records of the group
- Prepares budgets with the Chairperson and the Treasurer
- Is in charge of the members' register
- Supervises that funds are spent according to approval of the relevant body or person
- Keep official documents of the group such as license, bylaws, reports and stamps based on the situation of the group/association

Treasurer

- Participates in preparation of plans
- Registers and keeps the property of the group/association
- Keeps savings books of members
- Participates in the procurement of materials and services
- Countersigns with the chairperson, as finance officer on cheque and expenditure
- Checks that receipts and vouchers are properly authorised and signed
- Prepares financial reports

Instructions:

1. Ask the participants to join their previous group depending on their roles and responsibilities in the group/association
2. Request them to list down what the different groups/individuals have been practically doing in their group/association.
3. Allow each group representative to share the group result
4. Summarise the discussion based on the handout or adapt it to the context

Reflection questions:

Do you have similar roles and responsibilities in your group/association?

How do you share these roles and responsibilities among your colleagues after the training?

Do your bylaws clearly state who is doing what?

4. Recruiting Productive people into groups or businesses.

Activity:

<p>Activity name: Recruiting productive people into groups or businesses.</p>
<p>Objective(s) of activity: Understand who is the right person for the business and how to recruit him/her.</p>
<p>Importance of recruiting the right people/staff/group members</p> <p>The productivity of your business will to a large extent depend on the people you employ and the way they are managed. In return for their wages, workers bring knowledge and skills to benefit your business. Therefore, the selection and performance of your workers will greatly influence both the input and the output of your business. Recruiting the right people boosts productivity and profits.</p> <p>You must therefore recruit the right people - productive people whom you will enjoy working with. When recruiting such people you should:</p> <ul style="list-style-type: none"> • Determine the work to be done in your business • Attract suitable applicants and interview and select the right workers • Help the new worker settle in and understand your business (induction) <p>Step 1: Determine the work to be done</p> <p>Your workforce is not only a significant input -it also comes at a significant cost. It is therefore important to know what work is to be done in your business and then to select and manage your workers so they work as best as possible. Follow these steps to determine the work that needs to be done.</p> <p>Step 1: List the kind of work to be done and the skills and attitudes needed</p> <p>If you already employ workers you can observe the tasks they perform in their job.</p> <p>Step 2: Estimate the number of workers involved</p> <p>See how much time is spent on each task (keeping in mind the need for breaks), the level of demand for the service, and if there are any slack/idle or peak/heavy workload periods. (Below example: Cooking = 5hours per day = 35 hours per week).This will help you estimate the number of workers you need and the number of hours they need to work.</p> <p>Step 3: Determine who to do the work</p> <p>When you have identified the work to be done in your business, think about different ways in which the necessary skills and manpower can be obtained. Some possibilities:</p> <ul style="list-style-type: none"> • Expand your own skills and do more work yourself. This would save you money, but may require you to get more training and experience for yourself. • Subcontract tasks to other businesses or part-time/contract workers. Examples could be delivery service, cleaning, accounting, or the selling of your products. This would help you concentrate on more vital tasks such as staff guidance • Or employ workers who have the necessary skills and attitudes (or can learn them). <p>Important-Employing staff is a serious matter. Being proficient in this job is part of being a good manager. You can get help, but the responsibility is yours.</p>

Instructions:

1. Divide the participants into two groups
2. Explain to them the two categories of people in business i.e., those who have the theoretical background and those who do not have the theoretical background but have experience in doing the business practically.
3. One group should highlight the importance of recruiting people with a theoretical background and the other group should argue on the importance of recruiting people with practical experience.
4. Assign judges who will assess the discussions and select the winning group
5. Based on the debate, the group facilitator summarises using the following information

Reflection questions:

How did you feel about the debate?

What did you learn from the other group?

Who is the right person for your business?

Activity: Determine the work to be done

Sibanda's General Store is open about 40 hours per week and the owner has three workers helping him run the business. He can now see that he must do something about having the right people working with him and wonders if more should be employed.

For this purpose he has listed the most important tasks to be done:

- What are the tasks to be carried out in your business-and the number of hours per day/week?
- What skill and attitudes are needed by the workers in your business?
- Are you employing the correct number of workers?
- Are there other ways you could have the work done?

Activity	Hours per week
Purchasing stocks	15
Serving customers in the store	70
Keeping records and paying bills	5
Packing shelves	20
Tidying and cleaning up	10
Goods delivery	15
Total hours per week	135

- How many workers do you think are needed?
- Who should carry out which jobs in the business?
- What skill and attitudes are needed by the workers in your business?

Writing job descriptions

Activity:

<p>Activity name: Preparing job description</p>
<p>Objective(s) of activity: Enable participants understand how to prepare job description for employees</p>
<p>Materials/ Handouts needed:</p> <p>You have a clear picture of the skills and attitudes required and the number of workers needed in your business. For your business to be productive you must now ensure that these requirements are met by your actual workforce. You may already have the workers you need or you may need to employ new workers. In either case, you should prepare a job description for each employee.</p> <p>A job description is like a work program for one person. It may be made in different ways and may be more or less detailed depending on the importance and complexity of the job. However, the following headings would be most useful:</p> <ul style="list-style-type: none"> • Title of job • Reporting to • Specific duties • People supervised (usually difficult to supervise more than 7-8 people) • General description of job • Qualifications and attitudes required (remember to comply with laws about discrimination). <p>Important - other duties: Remember that flexibility is always required and that in a small business everyone needs to be ready to help everyone else.</p>
<p>Instructions:</p> <ol style="list-style-type: none"> 1. Divide the participants into two or more groups depending on the total number of participants. 2. Inform them that Mr. Sibanda has found out that he needs additional staff in order to get everything done right and on time in the Sibanda General Stores. He has decided to employ someone who will be responsible for packing shelves, tidying and cleaning up, goods delivery and (when there is time) help with serving the customers. 3. Ask the group to prepare a job description for this position. 4. Each group will share their work with the rest of the participants. 5. The facilitator asks how they will go about preparing job descriptions in their business so as to encourage to them share their experience. 6. Summarise the discussion using the <i>example of a job description</i> below.

Reflection questions:

Have you ever prepared a job description for your employees?

What is the importance of preparing a job description?

How do you apply this in your business?

Inform them to look at the example of job description below.

Example of a Job Description

Title: Shop supervisor

Reporting to: The owner of the shop

People supervised: Other shop assistants, messenger/delivery person

General description of job:

As directed by the shop owner and assisted by relevant staff members, the shop supervisor is responsible for ordering of supplies, checking and storage of stock, display of goods, and service of customers.

Specific duties:

1. On a weekly basis, prepare a list of goods to be ordered from the main supplier. Discuss the list with the owner who will place the order.
2. As necessary, buy stocks from suppliers calling on the shop on a daily or weekly basis (drinks, milk, fruits and vegetables, etc)
3. Check received stock against invoice and inform owner of any discrepancies
4. To the extent possible, ensure that all stocks are stored/displayed in the selling area of the shop.
5. Ensure that stocks for which there is no room in the selling area are stored neatly in the store room.
6. Ensure that customers are treated courteously and that any complaints are acted upon.
7. Ensure that orders received from customers by telephone are correctly assembled and delivered at the time promised.
8. Direct and assist other staff in carrying out their duties.
9. Carry out any other duties as may be necessary or assigned by the owner of the shop.

Qualification and attitudes required

Completed secondary education, completed relevant courses related to food retailing or other relevant trade, and at least four years of experience in retailing – preferably in one or more food shops or supermarkets. A friendly and helpful attitude and a willingness to step in for fellow workers when needed are important.

Selecting the right workers

Activity:

Activity name: Selecting the right workers
Objective(s) of activity: Understand the steps to be followed in recruiting the right workers
Materials/handouts needed: The below steps will remind you of how your workers were chosen and made part of your business and whether you did it in the right way and selected the right ones. These steps also provide a useful checklist if you need to employ new workers: Step 1: Advertise the job and identify possible candidates You can find potential applicants through advertising centre, or by asking friends and family. If formally advertised, a summary of the job description should be given and possibly an indication of salary as well. Shortlist a few candidates from the total number of applicants from whom you can select your new worker. Focus on what they know - not who they know. Step2: Interview and test the candidate Each of the chosen applicants should be called for an interview. As they may find this somewhat overwhelming, it is important that you create a relaxed atmosphere. This will get you a more realistic impression of the person who may become your future employee. The interview should be used to: <ul style="list-style-type: none">• Talk about your business and clearly describe the job that position being filled and the standards of performance expected;• Explain the salary/wages and conditions, and check that they are acceptable to the person who may be offered the job;• Confirm the information that you have about the applicant's qualifications, knowledge, skills and experience;• Explore any additional and useful talents that the applicant' may have;• Check the applicant's references and past employment applicant (you may do this before the interview in order to ensure you only interview the best candidates);• Administer small tests of the skills and knowledge of the applicant(you may ask them how they Would solve a problem relevant to the work, or even ask them to perform a small sample of the job);• Give the applicant an opportunity to ask questions and present his view on matters relevant to the business and the vacant post;• Get a general impression of the personality of the applicant-could you work well together?

Step 3: Choose the right person

After the interviews and after ensuring that you have all relevant information on the candidates, it is time to make a choice.

Beware of selecting the person that you like for reasons not linked to the job itself. Is it good to employ family members or friends? It can be a good idea, but it can also bring special problems: family members sometimes want 'special' treatment and this can lead to problems with other workers; it may be difficult to separate family and business matters; it may be a problem to decide who runs the business while you are away. Make sure they have the right skills and attitudes for the job. The future of the business depends on having the right people in the right jobs.

Step 4: Make an agreement

You have made your decision on who to employ and it is now time to make an agreement. Apart from a job description the agreement should specify the conditions of work, including wages, working hours, sick leave and holidays, social security and health benefits, relevant company rules, performance reviews, and any incentives available. Both the new worker and the business owner should sign the agreement.

If your business employs many workers, you may have a standard agreement printed. Most conditions of work would be the same for everyone and would therefore be pre-printed only requiring you to fill in the blanks in respect of name, salary/wages, incentives, working hours, and other points specific to the concerned employee.

Before employing people it is essential to understand the laws and rules that apply to employment in the country. Written summaries may also be given to all staff.

Step 5: Help the new worker settle in (induction)

When the new worker turns up for work for the first time, he/she will feel somewhat lost and not really know what it is all about. If nothing is done about it, he/she will remain confused for quite some time and you, the owner of the business, will be unhappy because the new worker will not be achieving much. This is where an induction programme comes in.

A systematic induction process will not only show new workers 'the ropes' but will also show them that they are valued and welcome in the business. This will help them to become productive faster. It may work as follows:

- Prepare an induction kit (see below sample of contents) and hand it to the new worker on his/her first day of work.
- Assign a peer worker as an 'induction buddy' to the new worker.
- With the help of the induction kit and the induction buddy, the new worker will now (during the first weeks of his employment) go through all relevant topics and make sure they are understood. He/she can tick off the list as he/she becomes familiar with the contents

- Make it clear who the new worker's immediate boss is. His/her job is to follow up on the induction process, help out as necessary, and tick off the same points (after a month or so) when he/she is satisfied that the new worker has settled in and understood all he needs to about his/her new place of work.

Possible induction kit topics:

- An outline of the induction programme and its objective
- Values and aims of the business and an organisation chart with explanations
- Rules for the particular business, including health and safety issues
- Remuneration, allowances, claimable expenses, benefits
- Payroll and staff administration
- Hours off and times for breaks. Overtime. Rules/flexibility in these areas
- Annual leave, statutory holidays, special holidays, sick leave

- Training and education possibilities
- Names and where to find job descriptions of other workers
- Information about performance reviews and timing for such reviews
- Phone numbers and addresses of vital contacts
- Confidentiality and conflict of interest issues

Instructions:

1. Ask the participants to sit in pairs
2. Inform each pair to discuss the steps they would follow in recruiting the right workers
3. Ask the pairs to share what they have discussed
4. Summarise the discussion using the handout and take them to the extension

Reflection questions:

Have you followed such steps to employee workers before?

Is it practical in our business?

Does it help?

Extension/ Simplification options:

1. Select about ten volunteers from the participants
2. Divide them into two groups of five members each
3. Inform them that the owner of a business is going to employ a new worker to pack shelves, tidy and clean up, deliver goods and (when there is time) help in serving customers. The business owner is now ready to interview the chosen applicants.
4. Ask the group to prepare interview questions
5. Request the group to depict the interview in a role play (two participants to be selected and briefed by the trainer to be "interviewed")
6. Allow the participants to discuss the steps, questions prepared, how the ability of the interviewee tested and others.
7. Ask participants whether they have ever conducted an interview
8. The facilitator summarises the discussion

Activity:

Activity name: Preparing a Work Contract

Objective of activity: Enable participants understand how to prepare Work Contract for employees

Materials/ Handouts needed:

A work contract is an agreement between two or more parties whereby each party promises to do, or not to do, something; a transaction involving two or more individuals, whereby each has reciprocal rights to demand performance of what is promised.

Purpose of a Work Contract

The small business sector is no different from any other sector in its need to manage a whole variety of business relationships. Most of these relationships will involve contractual commitments and obligations. You may be:

a provider of goods and services – retailer, trades person, etc a consumer of goods and services – as a borrower of finance, as a purchaser, in rental agreement in some form of partnering agreement with other businesses – joint ventures, partnerships, subcontractors. Contracts need to be managed. What does this mean? It is often a good idea to keep in touch with the other party to ensure that contractual obligations are being met as they should be. Sometimes it can be helpful to be flexible so as to cope with unforeseen circumstances. Managing the relationship may be as important as managing the contract.

Essential Elements of a Work Contract

For an agreement to be regarded as a contract, it must contain four essential ingredients: if any one of them is absent, the agreement will not be legally-binding.

The four essential ingredients are:

Offer: There must be an offer to do something. The offer must be quite clearly stated, and definite in its intention.

Acceptance: The offer, exactly as given, must be clearly understood and its acceptance must be definite.

Intention of legal consequences: The parties to the agreement must understand that the agreement can be enforced by law.

Consideration: Being a business arrangement, the promise must involve giving something in exchange for something of value (the 'consideration'). Usually the consideration involves the payment of money.

MODULE EIGHT RECORD KEEPING

Learning objectives:

By the end of this module, learners will be able to:

- Describe the importance of record-keeping in their business
- Apply the various forms of record-keeping

Activity

Activity: Role play

Tools: Table, chairs and papers, pen pencil and rulers

Objectives: To enable participants to see and understand the importance of record keeping in their business.

Instructions:

1. Divide participants into four groups
2. Each group should select one type of business and “run” their business.
3. Group one should not keep proper records for their business
4. Group two should not keep records at all
5. Group three should record everything related to their business and store the records in a safe place.
6. Group four should have more members than other groups divided into:
 - Good Customers – who buy on both cash and credit terms and honour their payments
 - Bad customers – who buy on credit and then neglect to pay (theft).
 - Friend of a shop/business employee – who mislead the employee into giving them goods/services without paying (and no intention of paying) and even convince the employee to steal business property.
 - Owner of the business.
 - Bank/MFI/SACCOS – who will take the property of the business if the owner fails to pay back the loan.\

Note: For a class of 20-25 participants group 1, 2 and 3 should have 2 - 4 members each and group 4 should have 13 members.

Reflection: Ask participants (each group) to assess their performance in their business.

Questions to be asked:

1. Did they succeed in their business or not?
2. What were the indicators of their success?
3. What made them succeed or not succeed?
4. If the business did not succeed, what factors should the owners consider for them to succeed?

Generalisation: Agree on common answers for the questions

Application: Ask participants how they are going to apply this in their business activities.

NOTES FOR HANDOUT

WHAT ARE RECORDS?

Records refer to the information created, received, and maintained as evidence by an **organisation** or **person**, in pursuance of legal obligations or in the transaction of business. For instance, a receipt book is a record of cash entering coming into a business or organisation.

RECORD-KEEPING

This is a systematic process of compiling similar or related information resulted from business activities or operations into one document, and storing it in files/folders (accepted formats) for the purpose of tracking and assessing the performance or operations of a business.

WHY DO WE NEED TO KEEP RECORDS?

- To help find and solve problems in a business
- To control business capital, especially cash
- To show the direction of the business
- To plan for the future
- Records allow business people to oversee expenditures, costs, and profit
- Records help to analyse business development over time

TOOLS FOR RECORDS-KEEPING

Record-keeping tools are critical to a successful business, and should be put in place before the business is launched. These tools help to ensure that documents are stored safely and methodologically. Each type of document should be stored separately, for example:

- Daily sales record
- Credit sales
- Receipt book
- Cashbook
- Profit and loss statement (income statement)
- Cash flow statements
- Fixed assets registration
- Stock taking

DAILY SALES RECORD FORM

This form is used to record all daily sales. It helps to establish the total sales per day.

DAILY CASH RECORDS				
DATE.....				
S/N	PARTICULARS	QUANTITY	PRICE	AMOUNT
	TOTAL SALES			

RECEIPT BOOK

The receipt book records money coming in (income of the business).

NAME OF BUSINESS	
ADDRESS	
TIN 000-01100	
DATE.....	
Received from	
Being payment of.....	
Amount in words.....	
.....
Amount in figures	Signature of receiver

CASHBOOK

The cashbook is used to records all cash transaction of the business usually after specific periods of time, that is, monthly, quarterly, semi-annually or annually.

A cash book:

- ❖ Records sources and uses of cash
- ❖ Records who has input what capital, and when
- ❖ Records selling prices at market
- ❖ Can help decide how to share profits
- ❖ Can help budget (and thus save) for the future

To calculate the balance of the cash book, take the greater total and subtract the lower one. If the expenditure side is greater than the revenue then balance should be recorded in revenue side but counted as debt.

CASH BOOK FOR THE MONTH OFYEAR.....			
DATE	PARTICULARS	REVENUE	EXPENDITURE
	Opening balance	XXX	
	TOTAL		
	Closing balance	XXX	XXX

CASHBOOK IN STATEMENT FORM

CASH BOOK FOR THE MONTH OFYEAR...			
DATE	PARTICULARS	AMOUNT	AMOUNT
	Revenue Collected	xxxx	
	Less expenditures		
	Closing Balance		

STOCK CONTROL

STOCK CONTROL				
DATE.....MONTH.....YEAR.....				
DATE	PARTICULARS	STOCK IN	STOCK OUT	STOCK BALANCE
	Opening balance(bal b/d)			
	Closing balance			

PROFIT OR LOSS STATEMENT

PROFIT OR LOSS STATEMENT (INCOME STATEMENT)		
Sales		XXXXXXXX
Less: cost of goods sold		
Opening stock	XXXXX	
Add: Purchases	<u>XXXXXX</u>	
	XXXXXX	
Less: closing stock	<u>XXX</u>	<u>XXXXX</u>
GROSS PROFIT		XXXX
Less: <u>Operating cost / Expenses</u>		
All indirect expenses		<u>XXX</u>
NET PROFIT/LOSS		<u>XXX</u>

CASH FLOW STATEMENT

CASHFLOW STATEMENT FOR THE PERIOD ENDING.....												
	1	2	3	4	5	6	7	8	9	10	11	12
Cash at the start of the business												
Cash in from sales												
Any other cash												
TOTAL CASH IN												
Cash out for direct or materials cost												
Cash out for direct labour costs												
Cash out for indirect costs												
Cash out for investment												
Any other cash out												
TOTAL CASH OUT												
CASH IN HAND AT THE END OF THE MONTH												

Activities: Visualisation

Tools: Sample forms

Ask participants to imagine that they own a business in their areas of residence and they are selling different goods in their business. Then ask them to write a receipt for the goods they have sold to their customers and to also record the sales in the Daily Sales Forms. Participants should record credit sales in the credit sales book.

Activity:

Tuma owns two different businesses at Kapulco city. One of the businesses is poultry farming based at her house compound and the other one is a shop at the bus stand in town. After realising that her businesses are only bringing in low profits, Tuma decided to record the activities in her business. The following are her records:

No.	Date	Activity
1	1/6/2012	<p>She received a Sh. 500,000 loan from her group</p> <p>She bought the following:</p> <p>Bag of sugar at Sh.50,000 from a wholesaler, 2 boxes of washing soap at Sh.15,000, 2boxes of bathing soap at Sh. 30,000, Toothpaste at Sh. 25,000, Pens at Sh. 5,000, Soda at Sh. 300,000, 2 cartons of drinking water at Sh. 15,000, Sweets a 2,000, 2 boxes of biscuits at Sh. 30,000, Body lotion at Sh. 50,000, She paid Sh.10,000 electricity bills</p> <p>She sold the following:</p> <p>3kg sugar @Sh. 2,000, 1 toothpaste at Sh. 1300, Soda 15@Sh. 500 and 3 packets of biscuits @Sh.300, 1 exercise book at Sh. 1000 She paid Sh. 6000 for goods transportation She sold 4 trays of eggs @Sh.6000</p>
2	2/6/2012	<p>She sold:</p> <p>4 trays of eggs @Sh.6,000, 20 bottle of water @Sh.500, 2 biscuits @Sh. 300, 20 soda @Sh.500, 5 packets of milk @Sh.500, 1 matchbox @Sh.100, 2 bathing soap @ Sh.800, 4 washing soap @ Sh.400</p> <p>she bought:</p> <p>30 packets milk @ Sh.12,000 1 bag of wheat flour @ Sh.34,000 and sold 5kg@1200</p>
3	3/6/2012	<p>She sold 10 bottles of water @Sh. 500, paid rent @Sh. 20,000, and sold 5kg sugar @Sh.2,000, rice 5kg@Sh.2,000, washing soap 6 packets @ Sh.400 and one carton of lotion @Sh.4,000, 15 sodas @Sh.500, she also sold 5 packets of biscuits @Sh. 300 and 10 packets of milk @ Sh.700, she also sold 4 trays of eggs @Sh.6,000 and paid bus fare @ Sh.1,000</p>

4	4/6/2012	<p>She bought: 5 plastic trays of soda for Sh.200,000, she bought rice 50kg@ Sh.1800, 50kg maize flour @ Sh.40,000, 5 carton of juice @ Sh.6,000, She sold: 10 soda @ Sh.500 5 packets of biscuits @ Sh.300, She bought 25 pieces cake @ Sh.5000, 4 trays of eggs @ Sh.6000, She also paid her shopkeeper's salary at Sh.200,000.</p>
5	5/6/2012	<p>She sold: 15 soda @ Sh.500, 15 biscuits, 15 packets of milk, 10 pieces of cake @ Sh.300, 2 toothpaste @ Sh.1,200, 2 bathing soap @ Sh.800 She bought: 10 bags of chicken feed 3 packets of vitamins for her chicken She also collected 4 trays of eggs and sold them wholesale @Sh.5,600 she also paid Sh.167,000 towards offsetting the loan</p>

EXERCISE FOR PARTICIPANTS

Assume that you're employed by Tuma's businesses and your responsibility is to keep proper records of all business transactions for each month.

Prepare:

- a) Sales receipt
- b) Daily cash records
- c) Monthly cash book
- d) Stock report
- e) Profit/loss statement and Cash Flow Statement.

MODULE NINE

SAVING

Learning Objectives:

By the end of this session, participants will be able to:

- Describe the meaning of saving and various forms of savings
- Understand how to start saving
- Describe different structures that support savings

WHAT ARE SAVINGS?

Savings are money or other assets kept over a period of time, usually not to be consumed immediately but in the future. Savings can be kept in a bank or any other safe place where there is no risk of loss, spending, or making profit.

Savings can be done through

- **Small but regular deposits** – this happens when someone has decided to sacrifice current consumption (use of assets, e.g. of money and goods) in order to increase the availability of assets for future consumption. It therefore involves postponing expenditures in order to accumulate a sizeable amount of resources for future use.
- **Automatic deductions from salaries, wages or income** - this type of saving is not voluntary. It is a system used by most employers under the labour law.

Advantage of saving

- To provide for specific needs in the future
- To have access to monetary or other assets whenever needed
- To ensure financial independence
- To make one's own resources inaccessible for others without one's approval
- To safely store surplus
- To acquire skills for proper money management and self-discipline
- To qualify for certain types of loans

Investments

These are monetary assets purchased in the hope that they will generate income, reduce costs, or appreciate in the future. In short, investment means the use of money to make more profit in the future.

Personal Budget

A **personal budget** is a finance plan that allocates future personal income towards expenses, savings and debt repayment.

How to prepare a personal budget for saving purposes

- Identify your sources of income and how much you earn from each source
- Add up to get total income per month.
- Track all your expenses daily, weekly or monthly
- Then divide them by categories
- For daily expenses, multiply each by four to get monthly expenses and add them to get a monthly total for daily expenses
- Take the total income per month and subtract the monthly total for daily expenses. The difference can be taken as savings. If the difference is negative or the expenses exceed the income then:
 - o Cut back your expenses
 - o Adjust your expenses

Example: Natalie family budget

Mary is employed in a company where she earns Sh.4,000 per month as a part-time employee. She also has her own business salon and boutique where she gets Sh.1,500 and Sh.2,500 respectively every month.

She has a husband (Abate) who is employed under a private company with a salary of Sh.10,000 per month. He receives a bonus and allowances of Sh. 2,500. The couple has two kids - Adisu and Sara - both of whom are primary school pupils. Adisu is in Grade Four and Sara is in Grade One. Mary and Abate pay Sh.1,000 every month for their tuition fees. They also pay Sh.200 for the school bus, Sh.150 for sports and games, Sh.300 for books and library services. They spend Sh.1,600 every month for food. They pay Sh.300 for postal services, Sh.300 for electricity bills and Sh.200 for water bills. They also buy house detergents at Sh.100 every month and pay Sh.800 for car maintenance and Sh.1500 for fuel. They also go shopping once per month and spend Sh.1,000. They pay Sh.1,500 salary every month for a house maid and Sh.1,000 for a gardener. Rent costs them Sh.1,200 per month, and car insurance costs Sh. 100 per month. Mary and Abate want to build their own house. They decide to prepare a budget to find out how much they can save every month.

Mary starts to prepare budget by tracking their income and expenditure for a month

Income of Mary's family

Mary salary	4,000
Abate salary	10,000
Bonus and allowances from work	2,500
Business salon	1,500
Business boutique	2,500
TOTAL	20,500

Expenses

Tuition fee	1,000
School bus fare	200
Sports and games	150
Books and library	300
Food	1,600
Postal services	300
Electricity bills	300
Water bills	200
House detergents	100
Car maintenance	800
Car fuel	1,500
Shopping	1,000
House maid salary	1,500
Gardener salary	1,000
Rent	1,200
Car insurance	100
Miscellaneous expenses (makeup, perfumes, lotions etc)	600

b). Mary prepares the budget first starting by categorising income and expenses.

DETAILS	AMOUNT IN KSH	AMOUNT IN KSH
INCOME		
Mary's salary per month	4000	
Abate's salary per month	10,000	
Bonus and allowances from work	2,500	
BUSINESS INCOME		
Business - salon	1,500	
Business - boutique	2,500	
TOTAL INCOME	20,500	20,500
EXPENSES		
HOME		
House rent	1,200	
House maid salary	1,500	
Gardener salary	1,000	
Post services	300	
FOOD		
Food/Drinks	1,000	
Drinks	600	
UTILITIES		
Electricity	300	
Water	200	
Telephone and cell phone	500	
Gas	200	
Home detergents	100	
FAMILY OBLIGATION		
Medical services	1,000	

School fees	1,000	
Sports and games	150	
TRANSPORT		
Car maintenance	800	
Car insurance	100	
Car (fuel)	1,500	
ENTERTAINMENT		
Recreation and eating out	2,000	
OTHER EXPENSES		
Shopping	1,000	
Miscellaneous (makeup, lotion etc)	600	
TOTAL		15,050
SURPLUS		5,450

Mary's budget has a surplus of Sh. 5,450. That means Mary can save Sh. 5,450 every month. To increase her family savings, Mary can **cut down** expenses, for example, she can reduce recreation so that instead of going out every week they can go out twice a month so instead of using sh. 2,000 they will spend only Sh. 1,000 thus saving Sh. 1,000. She can also reduce miscellaneous expenses to Sh. 400 and increase her savings. Mary also can **adjust** expenses, where she does not use money as planned. For example if she only spends 50% of the medical expenses. The remaining money can be saved and this can increase savings in the family.

BUDGET WORKSHEET

CATEGORY	BUDGET AMOUNT	ACTUAL AMOUNT	DIFFERENCE (SAVING)
INCOME			
Salaries			
Bonus			
BUSINESS/INVESTMENT INCOME			
Business			
Investment			
TOTAL INCOME			
INCOME FOR BUDGET			
EXPENSES			
HOME			
House rent			
House maid salary			
Gardener			
Post services			
FOOD			
Food			
drinks			
UTILITIES			
Electricity			
Water			
Telephone and cell phone			
Gas			
Home detergents			

FAMILY OBLIGATION			
Medical services			
School fees			
Sports and games			
TRANSPORT			
Car maintenance			
Car insurance			
Car (fuel)			
ENTERTAINMENT			
Recreation and eating out			
OTHER EXPENSES			
Shopping			
Miscellaneous (make up, lotion etc)			
TOTAL			
SURPLUS/DEFICIT			

FORMS OF SAVING

Informal saving: Savings societies, village banking

Traditional forms of saving: Buying assets (e.g. houses, animals, art works), holding cash in pots, or mattresses.

Formal savings: Bank savings account; savings account with micro-finance institutions.

Example of Informal group saving:

A group of 20 youth forms itself into a savings group. As an initial membership fee, each member has to contribute a small amount (Sh.1,000). All monetary transactions are written in a group savings book and the money will be deposited at a local bank in a group savings account. The group meets every week and for each meeting, each youth has to bring a specific small amount (Sh. 500). This means, within a period of two months, the group has accumulated an amount of (Sh.80,000) as starting capital. Now, the group can start an enterprise without having to approach a bank for credit (or if you apply for credit now, you will be much more likely to get it as you have shown that you are capable of saving). Alternatively, the group can start giving out loans to their members (at the same time, the normal weekly meetings continue, that means the capital is further increased). Conditions for loans could be that everyone has to agree to a loan given to any one person; that two other group members stand in as referees/safety (that means if the person fails to repay, they have to do it); that the loans have to go round (e.g. a person won't get a second loan before all others have received one); that the loans have to be paid back within one month; that the loans start initially with a small amount (to see if the person can be trusted); that the loans cannot exceed double your contributions; that no more than two loans can be given each month; that no new loans are given as long as people have not paid back. Over time, the conditions can be changed, e.g. the amounts for loans can be increased or a small interest charged.

Activity: Saving

Savings can be done by individuals or by groups. If groups decide to save some of their income, it is important that all group members share that same spirit of financial prudence! Therefore, it is important that all group members reflect on their own individual perspectives and behavior regarding savings.

Activity:

First, all participants work individually. Ask them to think about the questions in the questionnaire below.

Now, let each participant form a pair with another participant whom they feel is trustworthy to speak about individual finances.

Finally, collect all forms and ask volunteers to speak about the results of their reflection/ answers. Ask them whether they feel they can save and if so, which items or activities they would save on and for what reason they would try and save.

Questionnaire

1. How much money, approximately, did I have available last month?
2. How much of that money, approximately, did I spend?
3. What were the main items or activities you spent your money on?
4. Was there any money left?
5. If yes, what did I do with it?
6. If not, what would I have done with any money that I did not spend?
7. Are there items or things that you cannot afford because you have no money left at the end of the month? Which ones?
8. Estimate how much money you would need to afford these items or activities.
9. If you look at the items and activities you listed under Question 3, which ones could you do without in order to save money?

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