

STARTING MY OWN COMMUNITY SMALL BUSINESS

**Participant's Manual
By Dr. Allan Bachan**

Empowering Communities with Opportunities and Education Solutions



Foreword

This program seeks to improve conditions in rural communities through education.

A critical part of the effort is to better equip community persons especially the young to create and benefit from livelihood opportunities in their communities rather than leaving to seek their fortunes elsewhere. Empowering community persons through education and livelihood opportunities in the small business entrepreneurship context benefits the communities as a whole.

This training is designed to meet the need for a better understanding of the role of small business in the participants' communities, the value chain of for example craft or farming from the raw material to the consumer and business opportunities related to craft and farming. This is linked with the need for business skills for entrepreneurs to be able to take advantage of existing or created opportunities. It combines these needs into training materials that teach business skills in the context of craft or agriculture development and related business opportunities in the communities.

This training seeks to build the skills necessary to assess opportunities in their wider context so that entrepreneurs specifically youth can make decisions to undertake activities that fit their abilities, interests and means as well as enable them to engage in productive livelihoods

Turtle Village Trust and their partners are addressing this issue by proposing that entrepreneurial skills should augment the technical knowledge and skills learners might already have. Entrepreneurial skills will help them to acquire the mindset and know-how necessary to make self-employment a viable career option.

It is my fervent hope that education authorities, and non-governmental organizations and others will utilize this training package for non-formal learners in conjunction with vocational skills training programmes. This can help prepare learners of all ages and backgrounds to have productive livelihoods as self-employed entrepreneurs. In Trinidad and Tobago where significant numbers of young people work in the informal economy, this resource material may be used to train those already in the workforce to systematize and improve the quality of their work, with the goal of eventually becoming contributors to the formal economy.

TVT views the ability to engage in a livelihood as a vital life skill. Therefore, this training package in entrepreneurship may be considered a contribution towards providing community young people and adults with access to quality life skills programmes.

Contents

Preface	3
BUSINESS SKILLS	5
TOPIC 1 MY WINDOW TO THE WORLD OF SELF EMPLOYMENT	6
Lesson 1 - What is a business	7
1.1 – Categories of business	8
1.2 – Business activities	10
Lesson 2 - What is business management	14
2.1 – Business relationships web	15
2.2- Business Planning	17
2.3 – Adding value	18
TOPIC 2 DEVELOPING MY ENTREPRENEURIAL SKILLS	21
Lesson 1 - Who is an entrepreneur	24
Lesson 2 - Managing my own business	26
2.1 – Communicating	27
2.2 – Making the best use of my time	29
2.3 – Practicing business ethics	31
Matching my business skills	33
TOPIC 3 GETTING STARTED	34
Lesson 1 - My market	35
Lesson 2 - Keeping track of my money	43
2.1 – The cash book	44
2.2 – Income and Expenditure	46
Lesson 3 - Profit or Loss	54
Lesson 4 - Setting my prices	58
Lesson 5 - Reducing my costs	63
Lesson 6 - Business Planning	66



Preface

Starting my own community small business is a prototype modular

training package in entrepreneurship that is intended to provide supplementary knowledge to people receiving technical and vocational education and training in formal or non-formal settings, so that they may acquire an entrepreneurial mindset and the knowledge to set up a small business, if they so wish.

We are convinced that especially young technically trained people need to become self-employed as independent service providers rather than depend on finding wage employment. Young people would then be able to satisfy the demand for those services while carving out profitable careers for themselves.

The training packages are elementary and are intended to be an introduction to ethical entrepreneurship. It also aims at instilling a heightened sense of self-confidence, particularly among non-formal learners, and awakening them to the possibility that self-employment could be a viable career option.

Launching a successful business requires an awareness of one's knowledge, skills, abilities, aptitudes, values and preferences. The training therefore begins by inviting students to consider their own strengths and weaknesses in these areas, so that they develop a clear sense of themselves. They are encouraged to perceive themselves as the actors responsible for their own lives. Learners are then guided through the various stages of developing a commercial idea, from identifying a community need for a product or service to acquiring resources, and marketing the product or service and finally preparing a business plan. At each step, the learner is encouraged to discover how his or her skills may be utilized to cater to a need in the community. While encouraging independent thought, creativity and initiative, the training demonstrates the benefits of collaborative work by treating selected topics as group activities.

By promoting economic self-reliance and the need to play a constructive role in the community, the training also aims at human capacity building, a key element of sustainable development. Furthermore, empowering young people to engage in productive livelihoods is consistent with the first of the Millennium Development Goals, which is concerned with poverty eradication.

The author would like to acknowledge UNESCO and Illustrations from Elijah Njoroge.

My workbook

How would you like to earn your living?

You want to be independent and to take your place in your community and contribute to society. A good way to achieve this would be by using your practical knowledge and skills, together with knowledge about entrepreneurship, to launch your own business.

This course will help you to develop your entrepreneurial skills and start a business that could give you a livelihood that can support you and your family. Your business will contribute to the economic activity in your community and you may even go on to employ others. This would be a service to your community.

Most people who would like to work for themselves find it difficult to decide what type of business to start. If you wish to choose a business that suits you, you should start by thinking about yourself. You have knowledge and skills that are needed by both the community and business. Your ideas are needed. You can produce something or provide a service that you can sell. If you're already involved in some trade, this course will help you to refine your skills.

As a self-employed businessperson, you will be responsible only to yourself. You will not have to report to supervisors or take instructions from anyone. You will be your own boss!

However, you will have to use your judgment and your sense of what is right and wrong. You have a responsibility to your community to be an ethical entrepreneur.

This class involves you personally, and you need to be an active participant to benefit fully from it. While you need to contribute your ideas and views, it is equally important to listen to your classmates in an open-minded and respectful way.

You are encouraged to think positively about how this course can help you to fulfill your career aspirations.

Enjoy the course and good luck with your business!

Business skills

This part of the course will help you discover the qualities and skills you possess that will assist you to become a successful entrepreneur. It will also introduce you to a few basic concepts in business.

Topic 1

My window to the world of self-employment

This topic introduces a few basic concepts in business.

Lesson 1

What is a business?

Businesses are activities that provide goods and/or services in exchange for money or other goods and services.

A variety of businesses contribute to our local economy.

These can include:

- ✓ **Designing** (buildings, gardens, paths, posters, etc.)
- ✓ **manufacturing** or producing (goods like clothing or furniture, or parts of goods to be used by others to make complete goods, such as processing paper to make books)
- ✓ **supply and distribution** (moving goods from producer to client)
- ✓ **selling** (retailing – buying from a producer or another intermediary business and selling to the consumer, or wholesaling – buying from a business and selling to other retailers or repair businesses)
- ✓ **installing** (fitting or connecting the product to the customer’s home or business)
- ✓ **repairing** (restoring broken or defective goods to working order)
- ✓ **Service** industries (tourism, information and communication services, leisure activities, etc.).

I.I Categories of businesses



Question

Ask the participants: The businesses above can be categorized according to their activities. Write the category under each picture?



Answer



Brainstorm with the Group

. In the table below identify the type of businesses.

Business	Type	Business	Type
Retail shop		Hotel	
Salon		Tailoring	
Cyber café		Photo studio	
Dairy Farming		Dry cleaning	
Hardware store		Schools	
Carpentry		Green grocers	
Real Estate		Welding	
Transport		Cereals store	
Butchery		Mobile phone accessories	
Boutique		Poultry keeping	
Water vending		Beekeeping	
Banking		Security	
Mechanical Service		Brokerage	
Recycling trash		Foreign exchange bureau	
Garbage collection		Cleaning	
Sand harvesting		Computer Services	
Organizing events		Photocopy	
Catering services		Bookshop	

Key: R=Retail P= Manufacturing/ Production S= Service A= Agriculture



Ask Question

Ask participants what type of businesses are found in their community.
Ask them to give examples of each of the types of business listed above.

I.2 Business Activities



Question

Ask the participants: What are 3 activities that are required in all the businesses?



Answer

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Brainstorm with the Group



Tell the class to take an example of a dressmaking business and identify its INPUT, OPERATIONAL and MARKETING activities.

Fabric; measuring tape, Packing materials, Make designs and embroidery, packaging, Sewing machine, Thread, Put buttons and seams, transport Gathering market information, Scissors, Paper, Cutting the fabric, Suiting customers, identify customers demand Getting competitors price, develop and print flyers.

Inputs (materials and tools required)	operational activities (actions to be undertaken)	Marketing activities (reaching the customers)

Tabletop Exercise

Tell the group that the remainder of the Lesson consists of a tabletop exercise. The exercise will give the participants the opportunity to apply much of the knowledge that they have gained in this course to an actual scenario.

Introduce the “Rules of Engagement.” Stress the need for following directions, communicating, and making safe decisions.

Purpose: This exercise is an interactive tabletop activity that gives the participants an opportunity to apply what they have learned about business Activities.

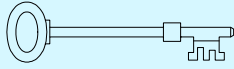


Conduct Exercise

Instructions: To conduct this exercise, complete the following steps:



1. Divide the participants into pairs.
2. Ask each group to pick their preferred business from within the community.
3. Identify the INPUT, OPERATIONAL and MARKETING activities of the business selected.



Key learning points

- ✓ Business is an activity operated for the purpose of earning a profit by providing a service or a product
- ✓ Profit is the amount that remains after subtracting the cost of giving the service or product from what one gets after selling.
- ✓ Business can be grouped into Manufacturing/Production, Retail, Service and Agriculture
- ✓ Business activities include providing the inputs, operational and marketing activities.

Lesson 2

What is business management?

Business management

The main duty of the business owner is to ensure all business activities are done as required and profit is made.

The process of running the business makes the business owner to relate with other people for different reasons. (**Worker, Customer, Supplier, Family.**

These people form the BUSINESS RELATIONSHIP WEB.

Business Planning

Business planning is a key aspect of running a business. Good planning is not only based on the finances of your business but also on setting a strategy for your business.

Before undertaking a business activity, one needs to have a plan.

- Determine what you want to do – **goal**
- Specific activities to make sure you reach your goal– **objective**
- Determine how you want to do it – **Strategy**
- Have a time schedule of doing it - **schedule**

Setting goals and objectives, is one of the first steps for giving you and your business a focus.

2.1 Business Relationships Web



Worker



Customer



Supplier



Family



OWNER



Ask Question

Draw the “Business Relationship Web” illustration using the pictures above.

Question: “What people does a tailoring business owner relate with in the course of his business?”



Record Responses

Record the participants’ responses on chart paper and conduct a brief discussion based on their remarks.



Brainstorm with the Group



ACTIVITY

Each group to pick one character from the tailoring business relationship Web and discuss;

1. Expectations of the character from the business owner
2. The pressures/challenges business owners face in dealing with each of the character in the business relationship web...

Each group will then make a short role play to demonstrate what goes on between the business owner and the character they picked.

.

2.2 Business Planning

Objective:

Participants will understand the importance of setting goals and objectives

Key Learning Points

- Understand the importance of planning
- Understand the importance of setting goals, objectives and business strategy

Read the Case Study and answer the questions below.

Roberts' case study

“Three months ago, Robert decided to use his savings to open a small stall outside Matura Primary School where he could sell a variety of products. He was very successful selling sweets to school children as they passed his stall on their way home from class. The stall was only open for a few hours in the afternoon because Robert had to help his brother in the morning.”

“Robert decided he would start selling pencils and notebooks to the children. He traveled to Sangre Grande and bought a large quantity of school items for his stall. For a few days the children continued to buy the sweets but no one purchased pencils or notebooks.”

“Then suddenly, the large numbers of kids stopped passing by his stall. Alarmed, Robert asked a few of his customers what happened to the children. They laughed and told him it was school holiday time so the kids did not walk through the area any more, even though some children did pass by in the morning and at lunch.”

“Then, Robert was left with a large stock of pencils and notebooks that were not selling.

Plus, the children were not passing by as often, so even the sweets weren't selling as quickly as they used to. Robert was worried that he would not have enough cash to buy food for his family.”

What went wrong with Roberts' plan?

What should he have done?

What goals and objectives should Robert have set?

2.3 Adding value

Adding value refers to improvement of the product/ service. A value added product /service aims at giving more satisfaction to the customers and therefore is willing to pay more for it. The purpose of value addition to the business is to earn more money while improving and increasing the customer's satisfaction. Adding value is very important step in any business since the goal is to make the product/ service worth more to customer.

There are different kinds of value:-

- Functional –making a good or service more functional
- Prestige – making goods or services more prestigious
- Quality – improving the quality of goods or services
- Aesthetic – Making goods or services more attractive to the customer



Ask Question

**Let us look at the illustration
“from straw to basket”**

Let us discuss what is happening in the picture by posing the question: -

Question:

“How much would you be willing to pay for the straw and why?”

“How much would you be willing to pay for the basket and why?”



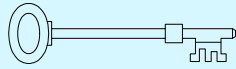
Conduct Exercise

Instructions: To conduct this exercise, complete the following steps:

1. Assign the participants to small table groups.



2. Explain the objectives of the exercise.
3. Take a pen and paper and draw any item that is sold such as: - a dress, mat, chair, shirt, trouser etc.
4. Write on the back of the drawing how much they would pay for it.
5. Pass the papers were given to other participants to add value to the drawings. Look at the picture keenly and think how they can add value to it.
6. After adding the value, write the price they would pay for their value added item at the back.
7. Look at the value added item again and think of adding more value then put the price at the back. The participants shall now read out to all the participants the original value and the new value after the value addition exercise.



Key learning points

- ✓ For any business to succeed, good management practices are needed.
- ✓ Business management involves planning and ensuring business activities and networks are running as expected.

For Example;

1. Planning business activities
 2. Buying the right material at the best prices at the right time
 3. Meeting the customer's need
 4. Controlling business transactions and ensuring there is money to meet business needs
 5. Keeping record of the business finances, stock and investments
 6. Ensuring the business is growing and making profit
- ✓ Business management involves managing the expectation of your business relationship web partners also referred to as business network.
 - ✓ For successful business management one need to adopt and improve on interpersonal qualities
 - ✓ Value addition makes the product/service more satisfying for the customers and more income to the business
 - ✓ Understand the importance of planning
 - ✓ Understand the importance of setting goals, objectives and business strategy

- ✓ **Understand the difference between goals, objectives, strategy and schedule.**

Goals - Broad generalized statements about what is to be achieved (cannot be measured or validated)

Objectives - Specific activities to make sure you reach your goal (can be measured and validated).

Strategy - How you will achieve objectives and goals

Schedule - A timeline/schedule for moving forward

✓

Topic 2

Developing my entrepreneurial Skills

The aim of this topic is to provide a positive image of business activities and to develop in participants the key skills to run their own business. These skills can be developed from the entrepreneurial qualities discussed in the previous unit.

At this point in the course, participants should begin to think of themselves not merely as young people with technical and vocational skills, but as people offering a service that their community needs and for which it is willing to pay.

My entrepreneurial skills

Am I an Entrepreneur?

Application

Use the checklist below to assess your Personal Entrepreneurial Characteristics (PEC) by ticking the answer that most nearly expresses you. Be as honest as you can.

1. Are you a self-starter?

- (a) I do things my own. Nobody has to tell me to get going.
- (b) If someone gets me started, I keep going all right.
- (c) Easy does it. I don't pull myself to too much trouble unless I really have to.

2. How do you feel about other people?

- (a) I like people. I can get along with just about anybody.
- (b) I have many friends; I don't need anyone else.
- (c) Most people irritate me.

3. Can you lead others?

- (a) I can get most people to go along when I start something.
- (b) I can give the orders if someone tells me what we should do.
- (c) I let someone else get things moving. Then I go along if I feel like it.

4. Can you take responsibility?

- (a) I like to take charge of things and see them through.
- (b) I'll take over if I have to, but rather let someone else be responsible.
- (c) There's always some over-achiever around waiting to show how smart he is. I usually let him.

5. How good an organizer are you?

- (a) I like to have a plan before I start. I am usually the one to get things organized when the group wants to do something.
- (b) I do all right unless things get too confused. Then I quit.
- (c) You get all set and then something comes along and presents too many problems. So I just take things as they come.

6. How good a worker are you?

- (a) I can keep going as long as I need to. I don't mind working hard for something I want.
- (b) I'll work hard for a while, but when I've had enough, that's it.
- (c) I can't see that hard work gets you anywhere.

7. Can you make decisions?

- (a) I can make up my mind in a hurry if I have to. It usually turns out okay, too.
- (b) I can if I have plenty of time.
- (c) If I have to make up my mind fast, I think later I should have decided the other way.

8. Can people trust what you say?

- (a) You bet they can. I don't say things I don't mean.
- (b) I try to be straightforward most of the time, but sometimes I just say what is easiest.
- (c) Why bother if the other fellow doesn't know the difference?

9. Can you stick with it?

- (a) If I make up my mind to do something, I don't let anything stop me.
- (b) I usually finish what I start-if it goes well.
- (c) If it does not go well, I quit. Why beat my brains out?

10. How healthy are you?

- (a) I never feel tired or run down.
- (b) I have enough energy for most things I want to do.
- (c) I run out of energy sooner than most of my friends seem to.

Lesson 1

Who is an entrepreneur?

Define an entrepreneur:

An entrepreneur is someone who starts or operates a business venture and assumes the responsibility for it. He or she provides goods or services to individuals or businesses for payment.



Some personal qualities entrepreneurs have include:

- ✓ curiosity and creativity
- ✓ motivation and self-confidence
- ✓ willingness to take risks
- ✓ eagerness to learn
- ✓ ability to co-operate
- ✓ ability to identify opportunities
- ✓ ability to innovate (do something that nobody has done before) and lead
- ✓ determination to overcome obstacles ('never take no for an answer!')
- ✓ ability to learn from mistakes made by oneself and others, etc.

These qualities help the entrepreneur to think, analyze, solve problems and take action.

Not every entrepreneur will have all of the above qualities. Many of these qualities are latent within us and we may not even be aware that we possess them. They can also be acquired through the learning process.



Brainstorm with the Group



ACTIVITY

Review the questioner.

Ask the participants to list their entrepreneurial qualities from the questioner.

Ask them to suggest any other qualities they feel are needed for entrepreneurship.

**How do these qualities help an entrepreneur?
How do they function in combination?**

Ask participants to identify local entrepreneurs and the qualities they appear to have.

- 1. How have I learnt these skills?**
- 2. What do I use them for?**
- 3. How often do I use these skills?**

Lesson 2

Managing my own business

Qualities of a successful business person

People who start their own business have control over what they do in their working life. By managing their own business, they have the opportunity to shape their work environment and make an impact on their community. But often there will be resistance, especially if a new business idea is introduced. Therefore, one needs management skills to make the business successful as well as to convince the community that it can only help them, or at least can do them no harm.

A good business person is a planner, a person who has vision, sets goals for achieving that vision and ensures that the necessary resources, financial and human, are obtained and allocated in time.



Ask Question

Question:

Ask “are some people born with business qualities while others are born without?”

Ask participant to answer with relevant examples.

2.1 Communicating

Good communication in business is important, because clients and business partners need to understand precisely what you are trying to buy or sell. Businesspeople need to be cheerful, keen, polite and helpful. Entrepreneurs should show interest in the customer and listen carefully to find out as much as possible about his or her needs. Listening is an important part of communicating. The entrepreneur needs to inform clients and business partners about the products and/or services they are selling and how these can meet their needs. Being honest and frank about our product or service can help build clients’ trust and confidence in us. This means that we should not give the client an incorrect impression of our product. Being frank in general may also help us to buy materials or services at a reasonable price from our business partners.



Brainstorm with the Group



ACTIVITY

Ask the class to select a product or service.

Ask two students to role-play a conversation between a customer and a businessperson.

The client should describe his or her needs, which may or may not be satisfied by the product. The businessperson should clearly describe the product or service and its uses, and explain how the product can be adapted to suit the client's needs.

Ask the students to point out strengths and weaknesses in the dialogue and how the weaknesses may be overcome.

Select another product or service and repeat.

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2.2 Making the best use of my time

Managing time is an essential part of good business planning, because time is a resource that has a monetary value. Poor time management usually leads to last minute rushes to meet deadlines, causing stress and inferior performance. This may result in a product or service of poor quality and/or it not being delivered in time. A disappointed customer may seek a more reliable business provider.

Time should be allocated to tasks depending on:

- when the product or service is to be delivered
- how long the preparation of the product or service is likely to take
- the need to co-ordinate people working on the product or service preparation
- how important the product or service and the client are to the business as a whole, etc.

Good time management allows for contingencies beyond our control, such as bad weather.

Often, we must undertake several tasks at the same time in order to complete our job.

We do this by estimating the amount of time necessary for each task and organizing our work accordingly. This is true of many of the activities that we take on in our everyday lives. For example, when we cook we do not prepare one dish after another. Rather, we carry out our chopping, mixing and boiling up in such a way that all our dishes are ready to serve up just when we want them! Similarly, a person working on a task may be asked to help with another task when the work situation requires it.

The time taken for the various stages of production should be recorded, so that clients can be given estimates of delivery time and the timeframe of future projects may be planned.



Brainstorm with the Group



ACTIVITY

Ask participants to select a product (or service) and do the following:

- a. List the tasks involved in the preparation of the product to the point of delivery.
- b. Estimate time needed for each stage of production, leaving a small margin (approximately 10%) for unforeseen contingencies.
- c. Determine how different stages of production can be run simultaneously and draw up a time plan.

Select another product or service and repeat.

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2.3. Practicing business ethics

Businesses need to function according to established law and rules set out by the community as well as the prevailing ethical standards (see *unit 11*). Investors, lending institutions and customers pay close attention to the standards of practice of businesses. But most importantly, young entrepreneurs may wish to set their own high ethical standards.

In addition, many groups of businesses have established ethical standards for specific businesses. These standards of practice are a core set of values, developed by that group of businesses that govern the relationships between business and customers.

Although they are not legally required, these values help to provide levels of service that distinguish the best businesses and build confidence among clients.



Brainstorm with the Group



ACTIVITY

Ask participants to list examples of good business practice and bad business practice, and their possible consequences for the business in relation to the client or other partners.

Discuss the advantages of adopting sound business practices.

Read loudly and clearly a case of “Stephen Retail shop” below:

Stephen owns the biggest retail shop in Sangre Grande. He manages his business which has 5 employees. His employees like working for him because he is an organized man and he treats them well.

Stephen started his business with his savings earned from transporting produce for farmers to the market on foot. The business was tiresome but Stephen was happy to make some small amount of money that he saved. He sacrificed many things to start his business.

He started the business by leasing a premise and with very limited stock. His customers have now increased; they say he is friendly and treats them with respect. He is also hard working and disciplined. Stephen also stocks good quality products and ensures he has all the customers need all the time. He is also honest and gives fair prices to his customers.

“John, the previous shop owner was the very opposite of Stephen in everything, no wonder his business failed within 6 months” Says Merle, a customer who has lived in the town long enough.



Brainstorm with the Group



ACTIVITY

Read loudly and clearly a case of “Stephen Retail shop”.

Ask the participants to:

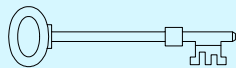
1. List the personal qualities that contribute to Stephen’s business success...
2. List the personal qualities that contribute to John’s business failure.



Matching my skills with business

We all have personal (entrepreneurial) qualities that we use in day-to-day life as we have been discussing. We can use some of these personal (entrepreneurial) qualities (or a combination of them) to launch a viable business.

The skills that will help us in business are likely to be a combination of our personal (entrepreneurial) qualities and our technical knowledge and basic business expertise acquired in training. Our skills should not be confined to traditional stereotypes. For example, girls may make good motor mechanics.



Key learning points

Personal qualities that enhance success in business could be learned while others are inborn.

Business persons need the following qualities to succeed: -

- Reliability
- Conducting myself (believing in myself, managing my life, being responsible)
- integrity (financial and ethical)
- Willingness to sacrifice time and money for the sake of the business
- Eager to meet obligations, etc.
- Good people skills; interacting with people (working with others and accepting others irrespective of their race, gender, social status, whether they have a disability or not, etc.)
- Good communication skills
- ability to lead
- A good organizer
- ability to set a goal and work towards it in small steps
- thinking (being creative, solving problems, making good decisions, observing my surroundings, basing actions on needs and opportunities)
- Has or is willing to gain experience
- Committed to succeed

Topic 3

Getting started

This topic is designed to stimulate the participants to generate a viable business idea. This means identifying a need in the local community and using their skills to fulfill that need, in the process earning compensation for themselves in the form of a salary or payment.

Lesson 1

My market

The first step in starting a business is to identify a need in the community. Estimating the size of that need is called **assessing demand**. Effort should not be put into any other part of business planning before demand has been assessed.

The people in the community who need our product or service and are willing to pay for it are the **market**.

The market must be aware of the availability of the product or service and be able to obtain it. Helping the community to know about a product and how to obtain it is a marketing strategy. It makes sense for a business to have an effective marketing strategy.

A marketing strategy must take into consideration:

- the location of the business
- advertising
- packaging
- the need for good relationships with other businesses
- reputation in the community ('word-of-mouth')
- Competitors' prices.

The entrepreneur should be willing to adapt products or services to customer preferences, taking into consideration local safety and security regulations. A new product may have an initial period of high demand. However, a saturation point may be reached, and demand may stay stable or even decrease. A sustainable market is one in which demand keeps increasing or stays stable with a steady rate of replacement.



Question

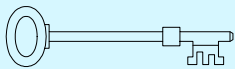
Read the following sentences. What do you understand by the term “market?”

“I am going to the market”

“I need a market for my honey”



Answer



Key learning points

Market is...

The customer who **NEEDS** what you are selling.

The **CUSTOMER** who is **ABLE** to buy what you are selling.

The **CUSTOMER** who is **WILLING** to buy what you are selling.

Market Information



Question



Record Responses

**Ask one participant to come forward and stand near you.
Tell him you need to know more about this training from him:**

How did you get to know about this training?

How were you invited?

Why did you choose to come?

Invite some participants to ask about 2 questions on the same line.

Ask the class “what would we call what we are getting from the answers to the questions?”

Ask the class

“Why is market information important to business people?”

Group exercises below

1. You have a plan to start a tailoring business in your local shopping centre.



What market information do you need before you start?

How and where will you get it?

2. You are a wood craftsman and you want to expand your market in the next town.



What market information will be useful to you? How and where will you get it?

3. You have been sent to the city by your craft marketing group to find if you could get a good and reliable market.



What market information do you need to help in making the decision?

How and where will you get it?

The 4Cs of Market research



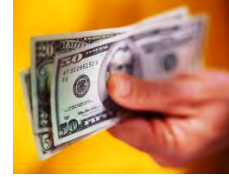
Commodity



Customers



Competition



Cost



Brainstorm with the Group

Ask the class to discuss what each of the word refers to in business terms

Ask the groups to classify their findings from the group excises according to the respective “C” of market information

Conclude by explaining what each of the 4Cs stands for and the questions it answers.



Marketing



Question



Ask participants what they think Marketing” is.



Answer

The 4Ps of marketing



Product



Price



Promotion



Place



Ask Question

Show illustration of the 4Ps

You have worked hard to start your business and you have just opened it.

Ask: “How are you going to get the customers for your new business?”

Marketing Mix Game



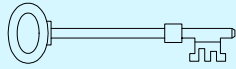
Conduct Exercise

Instructions: To conduct this exercise, complete the following steps:

8. Assign the participants to small table groups.



9. Post the posters of each of the P's in different locations of the workshop room.
10. Explain the objectives of the exercise.
11. Give the “marketing mix game cards” to participants.
12. Give the rule of the game: The participants will read the cards or ask someone to read for them. The group will agree on what side of the 4Ps to fix the card.



Key learning points

- Mark research on the 4Cs provides the businessman with information needed to continually meet the customers' needs is necessary for the business
- Analysis of the 4 Ps helps the customer to address the marketing problems through Marketing Mix

Questions to consider using your business ideas:

1. Who is interested in (needs) my product or service?
2. Why do they like or dislike my product or service?
3. Are they willing to buy it (give money or another product for it)?
4. Will they always want to buy the product regularly or seasonally (sustainable)? Or will they stop buying it completely (unsustainable)?
5. How many of my product or hours of my service will they need?
6. Where should the product be available (location of sales points)?

Lesson 2

Keeping track of my money

◆ **Why do I need to keep track of my money?**

Most small scale entrepreneurs do not write down how much money comes in and goes out of their business. They keep everything in their head. As a result they do not really know how much money they are earning, how much they buy and sell on credit and how they could improve their business. The aim of this lesson is to make the participants aware of the importance of bookkeeping, and to raise interest in the course.



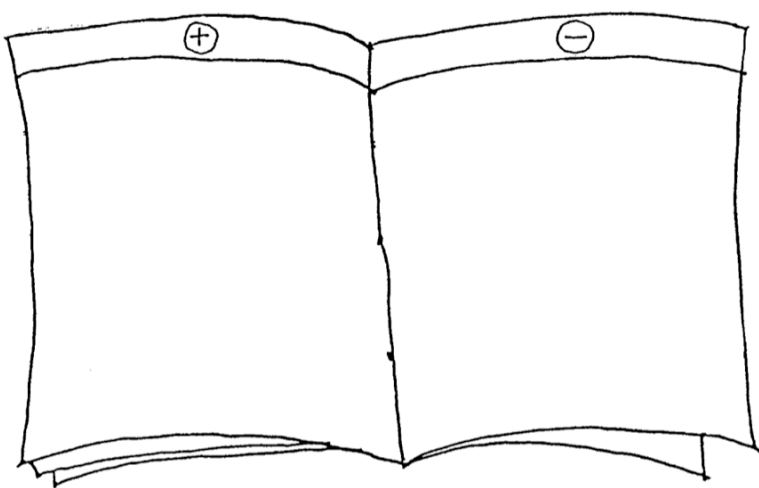
2.1 The cash book

The book in which we write all the money that comes in and goes out is called a 'cash book'.

You can use an ordinary arithmetic exercise book as a 'cash book'.

* All **money that comes in** is written on the **left page**

* All **money that goes out** is written on the **right page**



Symbols for 'money in' and 'money out'

Bookkeeping means that you write down all the money that comes in and the money that goes out. The following symbols will be used:

* **Money in** =
money becomes more
so we use the addition sign



* **Money out** = money becomes less
so we use the subtraction sign



Question

Ask the participants: What is a cash book?



Answer



Question

Ask the participants: Why is it important to write down your income and expenditure in a cash book?



Answer



Brainstorm with the Group

ACTIVITY

Draw a 'cash book' on the flipchart paper. Ask the following questions and invite participants to indicate the answers by placing their inputs on the correct side of the 'cash book'.

From which sources do you receive money?

(money becomes more;)

What do you spend your money on?

(money becomes less ;)

2.2 Income and Expenditure

Most small scale entrepreneurs do not keep their business and private money separate, but this is necessary to know whether you are making a profit or a loss. In this lesson we will be looking at the money that comes in and goes out of your business. This is called income and expenditure.

DISCUSSION

In the previous session we talked about all the money received, and all the money spent.

From now on a difference will be made between:

- money that comes in and goes out of your business;
- money that goes out of your business for your household and yourself.

Show the cash book with 'money in' and 'money out' and the activity above. Ask the following questions:



Question

**Ask the participants: Which money belongs to your business and which money belongs to your household or yourself?
Why do you think it is important to separate the two?**



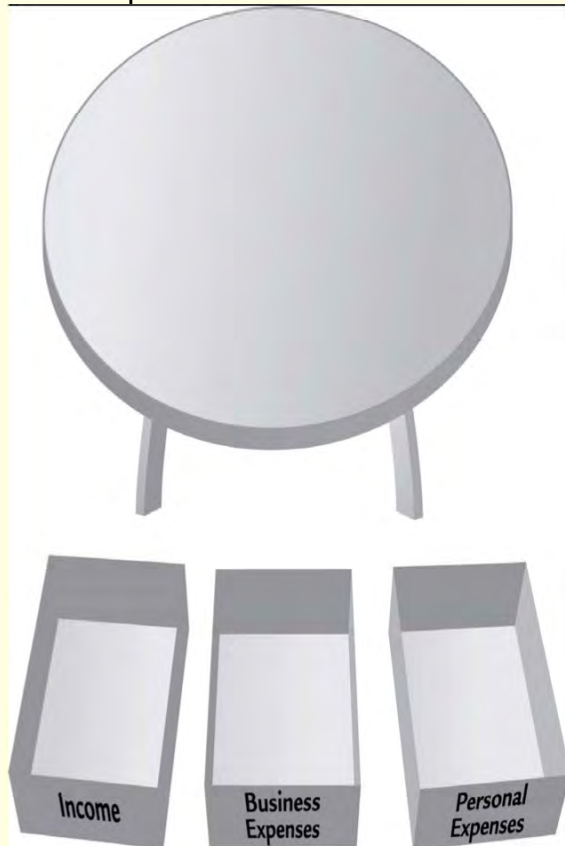
Answer



Brainstorm with the Group

ACTIVITY

Look at the picture below



Place each item in the correct box



1. school fees,
2. school uniforms
3. medicines,
4. hospital bills
5. Insecticides
6. Pay Workers
7. food
8. clothes
9. Pay Loan for inputs
10. beauty-products (nail polish, pomade)
11. hairdresser
12. Transport of produce
13. Money for sale of produce
14. Farm Tools
15. Fertilizer
16. loans from banks, money lenders or others
17. collections from savings group (susu)
18. sweets, snacks, ice cream



Question

Ask the participants: How could you keep the business and household money separate?



Answer



Question

Ask the participants: What is income?



Answer



Question

Ask the participants: What is expenditure?



Answer



Brainstorm with the Group

ACTIVITY

The facilitator will provide you with models of receipts used locally and cheques from local banks.

Write a cheque of \$40.15 to the business partner who supplies you with clay.

Write a cheque of \$23.68_ to the tradesperson who repaired your wood working machine.

I have sold the following items:

10 necklaces at \$3 each at the market on 6 March of this year

4 baskets at \$15 each to the hotel on 18 April of this year

1 woodcarving at \$60 to a shop on 12 May of this year

Fill in receipts for each of the items.

Use the information in the receipts to fill in a cashbook.

NOTE: The purpose of receipts, cheques and payment vouchers are:

- Reference
- Proof
- Accountability

ROLE-PLAYS

Tell the participants that you would like them to perform a role-play, as it will help them to understand what this lesson is about. Divide the class into three groups. Read the themes to each group.

Theme for group 1:

A woman has a business (choose a business that is familiar to your participants). She does not write down how much money comes in and goes out.

One day her son comes home from school with a letter from the head master.

The school has increased the school fees, and it has to be paid immediately.

The woman gets very worried. She knows she has no money. She desperately tries to remember how much money she received in the past week and how she spent it.



Question: What is the woman's problem? What could she have done to avoid this problem?

Theme for group 2:

A carpenter has sold a cupboard for \$5,000 to a customer. When the customer collected the cupboard, he told the carpenter that he did not have money at that moment, but he promised to pay at the end of the month.

At the end of the month the carpenter tries to get his money. The customer tells him that he only owes him \$3,000, and he will not pay him more than that! A very angry discussion between the two persons follows. But the carpenter has no proof that he has sold the cupboard on credit for \$5,000, and he has to accept the \$3,000.



Question: Why was the carpenter cheated?

Theme for group 3:

A group of women in your village has a bakery. They have divided the tasks as following:

- one person always buys the ingredients for the bread and the gas;
- one person is responsible for selling the bread;
- all the other members of the group assist in kneading the dough and baking the bread;
- the treasurer of the group is responsible for keeping the money safe.

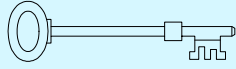
The sales woman does not write down how much money comes in. Whenever there is cash money she gives it to the treasurer of the group, who keeps it in a cash box. The treasurer in turn gives money to the person who buys the

ingredients and the gas. The treasurer is a very reliable person, but she does not know how to read and write.

At the end of the month the group wants to know how much money they have made by selling bread. When they open the cash box they find out that there is less money than they expected. Nobody knows what happened to the money. After a discussion they accuse the sales woman of stealing money.



Question: Why were the group members angry? What could they have done to avoid this problem?



Key learning points

Money in to your business = income

*** How does money come in to your business?**

- by producing and selling goods;
- by buying and selling goods;
- by giving a service (like a taxi driver who provides transport);
- by receiving gifts from friends or family members;
- by getting a loan;
- by inheritance.

Money out of your business = expenditure

How does money go out of your business?

1. Materials or ingredients (like cloth for dressmaking, flour for bread baking);
2. Services like: transport (taxi, bus); electricity; rent.
3. Wages:

If people are helping you in your business they will have to be paid a salary. If household members are assisting you, you may decide not to pay them. You also have to think about the amount of money you will be able to take from your business money as your own 'salary' (or pay), so that you do not mix up your private and business expenses. In a group business, you will have to decide how you will share the benefits between the group-members.

4. Replacement and repair of equipment and utensils:

You will have to keep money separate so that you will be able to pay for things like repair of a machine, replacement of utensils when they are worn out, or unexpected costs.

The advantages of regular bookkeeping are:

- you will know how much money you have received, how much money you have spent and how you have spent it;
- you can calculate whether you are making a profit or a loss;
- you will be able to make better decisions on what to buy and sell;
- you can keep records of buying and selling on credit, so that people can not cheat you;
- you can keep records of money coming in and going out of a group project, and therefore prevent misuse of the money and avoid mistrust amongst group members.



ASSESSMENT

Question 1

Elizabeth sells tomatoes, onions and okra in the market.

On 1-9-2010 she starts with \$ 800 cash money.

In the morning she buys the following vegetables:

- 2 baskets of tomatoes at \$200 each; $2 \times \$200 = \400
- 1 bag of onions at \$250
- 1 basket of okra at \$120

During the day she sells:

- Tomatoes for \$100
- Onions for \$60 and
- Okra for \$40.

She takes \$60 for herself to buy food for her household.

She will sell the rest of the vegetables the next day.

Before she goes home, she writes all her income and expenditure of the day in her cash book and she calculates her total income and expenditure.

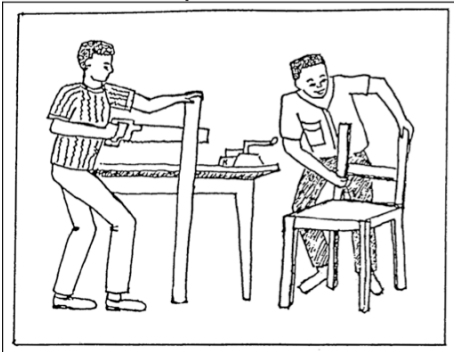
How much money has Elizabeth left at the end of the day?

Total money in - total money out = balance (cash in hand)

The money Elizabeth has left cash in hand should be the same as the balance in her book.

Question 2

John is a carpenter.



On 5-7-2010 he starts his business with \$10,000.

On the same day a customer asks him to make a table. John buys the following materials:

- 3 pieces of wood at \$1000 each; $3 \times \$1000 = \3000
- 1 box of nails at \$ 500

On 7-7-2010 he sells the table for \$ 5500

On 8-7-2010 he buys a new saw for \$2000

On 9-7-2010 he makes four chairs of left-over wood. He sells the chairs on the same day at \$1500 each; $4 \times \$1500 = \6000 ($4 \times \$1500 = \6000)

On 10-7-2010 he pays the apprentice \$1000

He also takes \$2000 out of his business money for his own salary.

Help John to write his income and expenditure every day in the cash book.

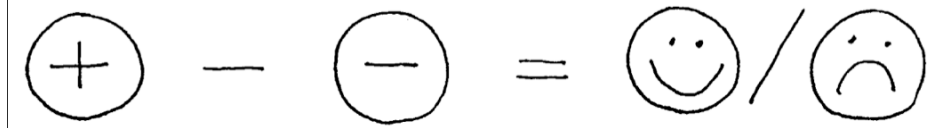
What is John's balance at the end of the week?

Lesson 3

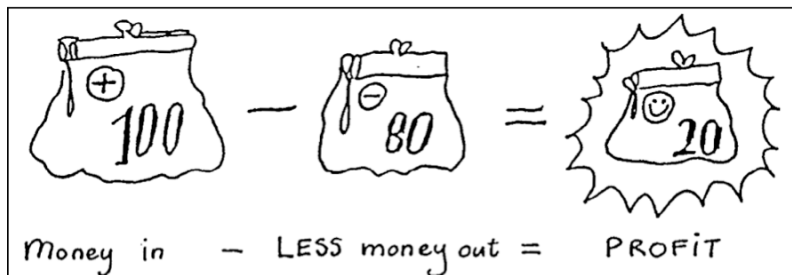
Profit or Loss

The cash book is used to write down all the money that comes in and goes out. But the cash book does not show whether you have made a profit or a loss. How to calculate profit or loss will be explained in this lesson.

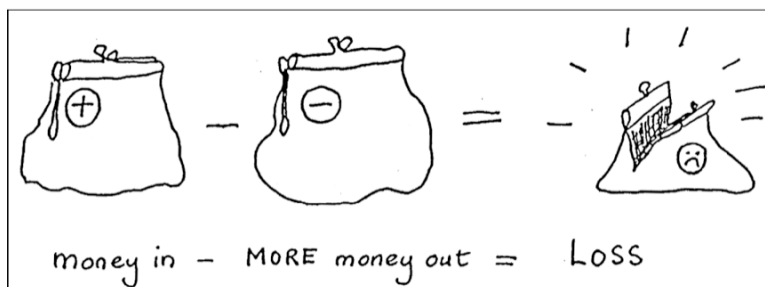
Money in from your sales - Money out for production = PROFIT or LOSS



PROFIT means that there is more money coming in than there is going out.



LOSS means that you spend more money on producing or buying your goods than you receive by selling the goods.





Ask Question

Question: What is your income?



Ask Question

Question: What is profit?

Case

Give the following case of profit and loss. Ask the participants to assist in writing the income and expenditure on the flipchart and calculating the profit or loss.

Question 1

Beatrice buys and sells oranges.

On 25-10-2010 she buys 3 baskets of 100 oranges at \$50 each;

(3 x \$50 =\$150)


○ She pays a porter \$10 for each basket that she carries; (3 x \$10 =\$ 30)

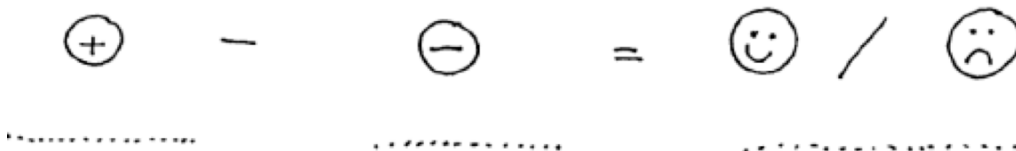
○ She pays \$70 for transport;

○ She pays her assistant \$15;


○ On 26-10-2010 she sells the 300 oranges at \$2 per orange.

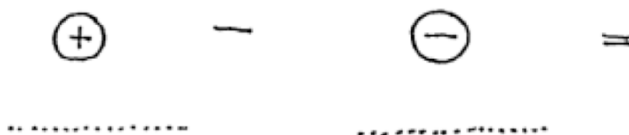
How much money does she spend before she can sell the oranges?

How much profit does Beatrice make? 



If 200 oranges get rotten and Beatrice can only sell 100 oranges at \$ 2 each, what will be her income?

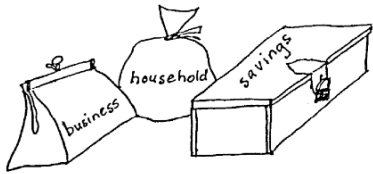
Does she make a profit or a loss? 



Explain the following:

Because the money out is more than the money in, we take the subtraction sign (-) and put it before the amount. This means that there is a loss.

Read the following story:



Joyce has discovered that she can make profit by selling doughnuts. But she knows that if she does not keep some money apart in a separate place she will spend it quickly. Therefore she decides to save some money as follows. From every \$1000 income from the sales of doughnuts, she will need \$600 for buying new ingredients and gas, and paying for transport. She will take \$200 for herself and her household expenses. The remaining \$200 she will keep apart as savings. She would like to bring it to a bank, but there is none in her village. Therefore she uses a small wooden box with a padlock, which she hides in her room.



Brainstorm with the Group



What do you observe from this story?

All answers are good.

Why does Joyce take some money out of her business for herself?

Why should she want to save money?

Lesson 4

Setting my prices

Creating any kind of art can be extremely personal. How do you use a craft pricing strategy that is objective and based on business goals when the work is so deeply personal?

Many business people do not know their costs and think that they are less than they really are. Therefore many people sell at a price that is too low and they make little or no profit.

Only by knowing the costs will you be able to set your price. The price finally determines the profit.

Costing is the way you calculate how much each individual product costs you to produce and sell.

Pricing means deciding on the price that you charge for your products.

To be able to determine your price, you will have to know all the costs that are involved in making and selling your product.

When you sell your product for a price that is **higher** than the costs to make and sell your product, and then you are making a profit. Profit is the difference between cost price and selling price.

When you sell your product for a price that is **lower** than your costs, and then you are selling at a loss.

It is therefore important to accurately calculate each of these, so that the final selling price is realistic.

Cost of production + overheads + profit = selling price

Look at the example below.

Example 1

I make wooden toys for children.

The wood for one toy costs \$5.

My labour costs for making the toy are \$5.

My bus fare to and from the marketplace is \$1.

My place at the market costs \$2.

My business' profit is \$2.

My selling price is \$15.

<u>Production</u>	Cost
Wood	5
Own salary	5
<u>Overheads</u>	
Bus fare	1
Market place	2
Total cost of production	13
Profit	2
Selling price	15

Activity 1

I am an actor with the Crazy Catholic.

Each day that I give a performance, I attend a class that lasts 2 hours. I pay \$6 an hour to my teacher Mr. Narine.

I practice by myself every day for 4 hours. I do not need to pay for this.

I pay \$2 for the bus (return trip) to the Queen's Hall.

Hiring my costume costs \$10 per day.

I act for 2 hours.

I think my business should make a profit of \$10 for my 2-hour acting, as my costume is very expensive and I am an excellent actor. This means if I give one performance in one day: How much should I charge?

How will I calculate my selling price? Fill in the table using the information above.

What else should I consider?

<u>Production</u>	Cost
<u>Overheads</u>	
Total cost of production	
Profit	
Selling price	

Activity 2

Read the following example to your participants and write all the costs involved on the flipchart board.

Elizabeth is a seamstress. The manager of a clothing shop is interested in her clothes and asks her for the prices. She has no idea, but she promises to make a quotation.

Elizabeth calculates all the costs of making a wedding dress, thinks about the profit she wants to make and the price the customers are willing to pay.

She would need 3 yards of material at \$150 per yard, 1 zip at \$5, 5 buttons at \$2 each, sewing thread \$15, lining \$65, needles and oil \$15. Her Transport cost for travelling to Sangre Grande is \$10

Wages:

It takes Elizabeth two days to make a dress. For a start she decides to ask a moderate fee for workmanship of \$100 per day. She pays one apprentice \$25 per day for her assistance.

Elizabeth is afraid that her sewing machine will break down and she wants to set aside some money so that she will be able to repair it when necessary. She decides to put \$300 on top of the costs of each dress to save for this purpose

+ Profit

Elizabeth thinks that \$50 is a reasonable profit on each dress. = Price

What is the price that Elizabeth believes she should charge?

Show your working to arrive at your answer.

			\$
	Materials and services:		
+	Wages:		
+	Replacement and repair:		
=	Total Cost	⊖	
+	Profit	☺	
=	Price		



Key learning points

Cost of production and overheads

Calculate each component that goes into production and overheads carefully, and add them up. Labour and depreciation of equipment (when equipment loses its value over time) may also need to be taken into account. In calculating the cost of labour, the entrepreneur should set a wage that adequately compensates the workers' knowledge and contribution, taking into account the experience and qualifications of the worker, prevailing basic wage rates, holiday pay and government contributions.

Paying a lower price for materials and/or production could enable the entrepreneur to reduce the selling price.

Profit

The entrepreneur should be careful in setting the level of profit made on the sale of a product or service, taking into account the relationship between demand for the product (how many people want it) and the available supply (amount of product available to be sold). If demand is great for the available supply, the price (and thus the profit) may be increased. If there is a large supply, but few people want to buy, then prices may drop. An excessively high price due to a big margin of profit will dissuade customers. When sales increase, profit margins may be reduced. This can enable the entrepreneur to lower the selling price, therefore allowing the business to 'capture' the market and even expand it.

Fixing the selling price of a product or service must take into consideration the following:

- **cost of production (including your own salary)**
- **overheads**
- **Profit.**

To calculate the costs of each product you will have to add up the total amount of money going out of your business before you sell the product.

Factors determining the price:

When you decide on your price you will have to think of the following factors:

- the costs of each product (= your expenditure);
- the profit you would like to make;
- the price other people are selling the same product for;
- the maximum price people are prepared to pay;
- the price determined by the market.

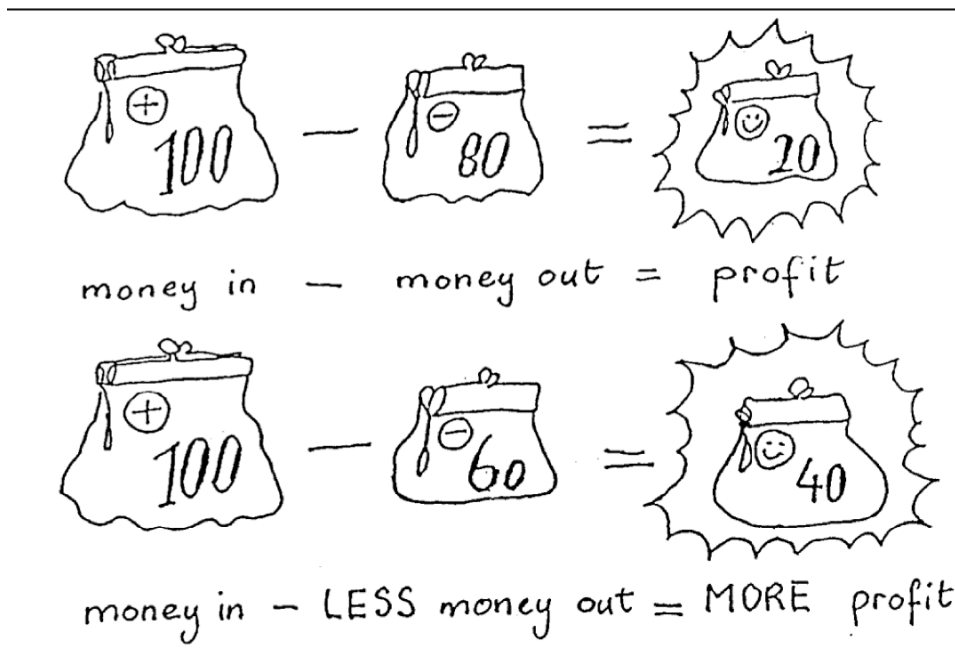
Lesson 5

Reducing my costs

What is business planning?

Business planning means thinking about the future of your business. It not only means thinking about how to expand your business in the long term, but also how to organise your business in the short term.

Most people are used to running small scale enterprises where they work with small sums of money on a day to day basis. They do not take advantage of wholesale and bulk purchasing. In this way they spend more money than necessary. Better planning of their business will help them to reduce their costs and increase their sales, thus making more profit.



Activity 1

Read the following story.

A group of women has a small bakery in a village. They bake sugar bread, tea bread and buns. The group members take turns in baking the bread. They also take turns in buying the stock. Every other day someone goes to town to buy the bags of flour that are needed plus the other ingredients. She is given the money for the bus fare and food during the journey. They buy cooking oil, sugar and yeast in small quantities from the shop in the Cumana. Sometimes members of the group give bread for free to their relatives. On some days they are baking more bread than they can sell. Some of it gets spoiled and they have to throw it away.



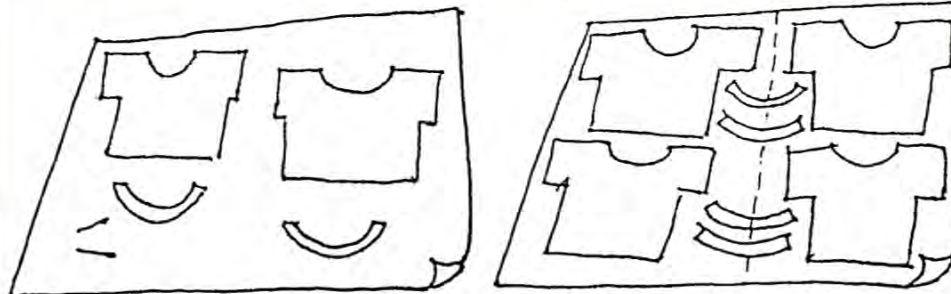
Brainstorm with the Group

Can you think of any ways that the group in the story could plan their business better so that they will reduce costs?

Activity 2



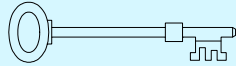
Brainstorm with the Group



Bad cutting gives one shirt,
good cutting gives two shirts!

Ask the following questions about the pictures:

1. What do you observe from the two pictures?
2. Can you give examples of waste in other businesses that you know?



Key learning points

Reduce your costs by good planning for buying:

- buying at the lowest possible price (compare the prices of different suppliers and/or buy during the season when the price is very low);
- buying in bulk, if they are goods that can be stored;
- buying the right quantity of perishable products (like tomatoes);
- reducing travel and transport costs.

Reduce your costs by good planning for production:

- producing the quantity (of perishable goods) that people will buy;
- inspect the quality of the goods you produced, and pack it in a neat way;
- prevent wasting materials;
- producing a lot at one time may be more profitable than producing small amounts at different times.

LESSON 6

Business Planning

My business plan

What is business planning?

Business planning means thinking about the future of your business. It not only means thinking about how to expand your business in the long term, but also how to organise your business in the short term.

A business plan is a summary of what my business intends to sell, the resources (money and materials) I need and how I expect to acquire them, who will manage my business and what profits I may expect.

Ask participants “what do you understand by the term planning”

Planning is;

- .What we want to do in the future
- .What we have to do to achieve that
- .The things we need to do it

Explain that

“The process of planning includes;

- (a) **Goal** - this is what we want to do in future
- (b) **Task** - this is what we need to do to reach our future
- (c) **Resource** - this what we need in order to carry out a task

Cash flow statement

A cash flow statement is important because it gives the entrepreneur an idea of the amount of liquid cash available in the business at any given time. It is prepared by recording all income received by the business on the one hand, and all expenditures incurred by the business on the other. The difference between the two will give an indication of the positive or negative cash flow situation in the business at the end of a given period.

Projected cash flow “in” and “out” flows (i.e. Income and expenditure)

		MONTH						Total (\$)
		MONTH						
		1	2	3	4	5	6	
In (Cash receipt)								
1	Balance from last month							
2	My own pocket/ investment							
3	Loan from							
4	Cash sales							
5	Collection from debtors							
6	Others							
TOTAL (a) \$								
Out (expenditure)								
1								
2								
3								
4								
5								
6								
7								
Total (b) \$								
Balance c/f: [(a)- (b)]								

Ask participants to prepare a cash flow statement for their business.

How to make a business plan

Writing a Business Plan

Here are the main reasons why a business plan should be prepared:

- It provides a company with a road map that it needs in order to run its business. It allows for changes in direction as you begin the business.
- It assists in financing. Banks and Grant organizations want to see that you know where you are, what you are doing, and how you will get there.
- It will identify how much money you need, when you will need it, and how you will get it.
- It helps you to clearly think through what type of business you are beginning, including all aspects of the business.
- It raises questions that need to be answered in order to succeed.
- It sets up benchmarks to use as control in the business.
- It helps develop a competitive spirit to prepare you to operate.
- It makes you consider all aspects of the business process so that you not start blindly or lack vital information.
- It forces you to analyze competition.
- It gives you an informed “go” or “no go” answer about starting the business.

» Application

Use the Format below to develop a business plan for your business

A simple business plan – a presentation format

BACKGROUND: To prepare your own business plan, answer the following questions as honestly as possible. If you find it difficult to answer any question immediately, it means that you have to look for more information regarding the business you intend to start or expand.

I.0 History and background of the business

NAME OF THE OWNER OF THE BUSINESS:

_____ |
.1 The Name of the business shall be:

_____ |
I.2 I will operate this business: - (i) Alone [] (ii) Jointly with others []

I.3 I will operate the business in _____

I.4 My business will involve the sale / production/processing of the following items:

i.

_____ |
ii.

_____ |
I.5 My products are unique or different from those of my competitors because of the following reasons:-

i. _____

ii. _____

I.6 My objectives for the business for the first year are:-

i. To get about _____ customers who are currently buying from other business people

ii. To make a profit of \$.....* (Circle one)

iii. Other (Please specify)

_____ |

2.0 Marketing plan

2.1 OVERALL, I EXPECT TO SELL MY PRODUCTS OR SERVICES TO THE FOLLOWING KIND OF CUSTOMERS:

i. _____ approximate number _____

ii. _____ approximate number _____

2.2 Each one of them buys about _____ times per* Month/Week/Day.

2.3 I have estimated sales for the different products or services per Month//Week/Day to be as follows:-

	Goods or Services	Quantity (No.)	Selling Price per item	TOTAL (\$.)
1				
2				
TOTAL (\$)				

2.4 I expect to reach the following level of sales per month for the first one year

Sales	Month												Total	(Kshs)
	1	2	3	4	5	6	7	8	9	10	11	12		
Cash Sales														
Credit sales														
TOTAL (Kshs)														

2.5 My major competitors

Some of the important business people operating businesses similar to mine are:-

	Competitor	Competitor's strengths	How I will out-compete them
1			
2			
3			
4			

3.0 Production /operations plan

3.1 Production / operation process

The major steps or stages in the production or operations of my business are as outlined below:-

	Step/stage	Critical / important things to be cautious about
1		
2		
3		
4		

3.2 Equipment, tools, and other fixed assets required

The equipment, tools, and other fixed assets required to operate the business are as listed below.

	Equipment /Tool	Quantity	Supplier	Buying Price Per item (\$)	TOTAL (\$)
1					
2					
3					
4					
TOTAL \$					

3.3 Critical risks and problems- [seasonal and other changes]

For example climatic changes, fire, legal etc. In the table below, I have completed the changes that could take place and affect my business adversely.

	Critical risk/problem	How they can affect my business
1		
2		
3		

To ensure that these changes do not adversely affect my business or to reduce the possible effects, I will do the following: -

- (i) _____
- (ii) _____

3.4 Legal requirements

Some of the laws require that businesses like mine do or not to do the following:-

- (i) _____
(ii) _____

3.5 Monthly costs for buying materials for producing/providing the service.

	Material	Buying Cost Per item (\$)	Quantity Needed	Supplier	TOTAL (\$)
1					
2					
3					
4					
TOTAL \$					

4.0 Management and organization plan

I will put efforts to have good management for my business.

In the following sections, I have indicated some of the important things that I have considered seriously and will put in place.

4.1 Employees who will be required, responsibilities and their skills.

Employee (including the owner)		Responsibility	Total No	Monthly salary	Total (\$)
1	Business owner (s)				
2					
3					
4					
TOTAL					

4.2 Looking for employees [where applicable]

I will use the following methods to get employees:-

(i) _____

(ii) _____

4.3 Motivating the employees [where applicable]

I will use the following methods to motivate my employees: -

(i) _____

(ii) _____

5.0 Financial plan

5.1 (a) Buying fixed Assets =\$ _____

(b) Pre-operational Costs [These are costs which will be incurred before starting the business]

	Item	Cost \$
1		
2		
3		
4		
TOTAL a+b (\$)		

(c) Costs of running the business for at least one month.

I have determined that the total costs of running my business for one month will be as follows:

	Expenses	Total \$
1.	Purchase of goods for sale or materials for production or service	
2.	My own salary	
3.	Salary for employees	
4.	Material	
5.	Security	
6.	Transport	
7.	Rent - for business premises	
8.	Electricity/ Fuel	
9.	Business promotion	
10.	Savings	
11.	Loan Repayment (where applicable)	
12.	Any other	
TOTAL (\$)		

5.2 Total money required to start the business

As per the costs I have identified above (5.1), the total money required to start the business is:-\$_____

5.3 I will get that money from the following sources:

	Source	Total (\$)
1	From my own pocket	
2	From my parents/guardians/spouse	
3	Loan from: Bank	
4	Any other source	
	TOTAL (\$.)	

5.4 Projected cash flow “in” and “out” flows (i.e. Income and expenditure)

In (Cash receipt)		MONTH						Total (\$)
		1	2	3	4	5	6	
		1	Balance from last month					
2	My own pocket/ investment							
3	Loan from							
4	Cash sales							
5	Collection from debtors							
6	Others							
TOTAL (a) \$								
Out (expenditure)								
1								
2								
3								
4								
5								
Total (b) \$								
Balance c/f: [(a)- (b)]								

Craft extraordinaire

Thursday, October 5 2006 Newsday

Think that when you have seen the items at one craft shop, you have seen them all?

Think again. At least, not at the craft booth in Store Bay that is owned by Ferdie Trim who dabbles in a bit of everything.

One is immediately drawn to the soothing sounds made by the wind chimes that decorate the booth, however, as one gets closer the sight becomes flooded with the many treasures displayed in and around the booth.

Trim caters for the buyers and their homes, selling traditional leather, cow horn and bamboo items and semi-precious stone earrings. His craft portfolio also includes bracelets, anklets, necklaces, rings and souvenir key chains, conch shells, wind chimes, wood and coconut sculptures, batique and floral designs.

Having been in the craft business for the past 20 years, Trim boasts of being one of Tobago's first craftsmen becoming involved when the trade was limited to selling conch shells, polished turtle backs and black corals (before its sale became restricted).

At first, he only crafted jewelry for himself and close friends but started looking at it as a serious business venture after being approached time and again by tourists who expressed interest in the pieces.

Thus, he started selling to Italian visitors at the Arnos Vale Hotel in Plymouth and enjoyed a profitable period until the style of craft changed.

"That was many years ago and back then Tobago didn't have much handicraft people as it wasn't that popular so clients would have to wait until I came on the beach to do business with them," he said. "But the Italians have stopped coming now and so what they were interested in doesn't really appeal to the new customers who are mainly locals and tourists from Europe and America."

Over the years, Trim has built a clientele with varied tastes and requests. He has expanded his business to include an assortment of items to meet every desire.

He admitted that it has become hard for him to make all of the pieces himself and relies on the expertise of other craftsmen from whom he buys wholesale. He adds a personal touch to some of the items by redesigning them.

He agreed that the handicraft business has expanded over the years but said that he was unfazed as he has discovered the secret to staying on top of the game.

"A lot of people have joined the business but that doesn't bother me. Many have come after me and gone already because they don't know what to sell to stay alive.

"For all the years that I have been selling handicraft, I know what the people want from what they don't want and with that I have an advantage. I know what the people want." Trim said.

He is not one of those who has subscribed to the idea that handicraft is "dead to the youths" but believes that one has to actually be around it to appreciate the art of craft.

While the most popular selling item differs from day to day, he has found that jewelry is the best seller especially among locals, while the tourists purchase more woodwork.

He noted that in this business one has to be patient to be profitable.

STARTING MY OWN COMMUNITY SMALL BUSINESS

This training seeks to build the skills necessary to assess opportunities in their wider context so that entrepreneurs specifically youth can make decisions to undertake activities that fit their abilities, interests and means as well as enable them to engage in productive livelihoods

This manual would address this issue by proposing that entrepreneurial business skills should augment the technical knowledge and skills learners might already have. Entrepreneurial business skills will help them to acquire the mindset and know-how necessary to make self-employment a viable career option.

Empowering Communities with Opportunities and Education Solutions

