

Foreword

During the regional and sub-regional training workshops organized by UNESCO PROAP, the concept and strategies of the APPEAL Training Materials for Continuing Education Personnel (ATLP-CE), Volume V: Income-Generating Programmes (IGP), were presented to and discussed with the participants from various countries in the Asia and Pacific region. APPEAL has received feedback from both the workshop participants and the countries in the region requesting us to develop a manual on entrepreneurship as a supplementary manual to the IGP volume. This is because of the economic crisis in the region. Many labourers who were working in the big city factories lost their jobs and returned home. The unemployment rate is increasing throughout the region. The scope for paid employment has not kept pace with the growing demand. Thus people are turning to self-employment to upgrade their standard of living and eradicate their poverty.

In response to the needs of the Member States of the region and due to these rapid changes in the world of work, we have developed and published the Training Manual for Small-Scale Enterprise.

The first draft of the manual has been revised and finalized according to the results received from the field test conducted in co-operation with neoliterate villagers in Bangladesh.

The manual is designed to provide entrepreneurial skills to neoliterates or those who have completed literacy programmes and who are keen to set up small-scale businesses in their own communities. It provides trainers with detailed guidelines on how to conduct an entrepreneurial skills training workshop. The participants in the workshop will acquire entrepreneurial skills including marketing and accounting skills to help them set up their own small businesses.

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Course Objectives:

At the end of the course, the participants will be able to:

- Name various economic activities.
- Relate how to get ideas for an enterprise.
- Explain the process of preparing an enterprise plan.
- Finalize the enterprise plan through market appraisal.
- Identify the preparatory steps for starting an enterprise and state how to complete them.
- Explain the importance of cost analysis.
- Explain the importance of pricing products/goods and how to set prices.
- Explain the importance and strategies of marketing.
- Explain the importance of keeping enterprise accounts and the methods of doing so.
- Identify the areas of caution in enterprise management and explain how to deal with them.
- Define competencies in business and explain the process of acquiring them.

Course Contents:

- Economic activities
- Basic concepts of enterprise
- Enterprise planning
- Market survey and enterprise plan
- Preparation for enterprise development
- Cost analysis
- Pricing
- Sales and marketing
- Keeping accounts
- Cautions in enterprise management
- Competencies in business

Course Methodology:

- Question and answer
- Large group discussion
- Small group discussion
- Video
- Lecture and discussion
- Case study
- Brainstorming
- Series of cards
- Structured experience
- Scaling
- Group work and presentation
- Exercises
- Role play

Course Materials/Resources:

- Posters and markers
- Videos (*Economic Activities*)
- Case study
- Series of cards
- Exercise sheets
- Guides for role play
- Course evaluation format

Training Schedule

DAY 1

Time	Session
09:00 - 11:00	- Inauguration and Introduction
11:00 - 11:30	- Tea break
11:30 - 12:10	- Inauguration and Introduction (cont.)
13:00 - 14:00	- Lunch break
14:00 - 15:00	- Various Economic Activities
15:00 - 15:30	- Tea break
15:30 - 17:00	- Various Economic Activities (cont.)

DAY 2

Time	Session
09:00 - 09:15	- Review of previous discussion
09:15 - 10:15	- Various Economic Activities (cont.)
10:15 - 11:00	- Entrepreneurship
11:00 - 11:30	- Tea break
11:30 - 13:00	- Entrepreneurship (cont.)
13:00 - 14:00	- Lunch break
14:00 - 15:30	- Planning an Enterprise
15:30 - 15:45	- Tea break
15:45 - 16:25	- Planning an Enterprise (cont.)
16:25 - 17:00	- Market Survey

DAY 3

Time		Session
09:00 - 09:15	-	Review of previous discussion
09:15 - 11:00	-	Market Survey (cont.)
11:00 - 11:30	-	Tea break
11:30 - 13:00	-	Market Survey (cont.)
13:00 - 14:00	-	Lunch break
14:00 - 15:30	-	Market Survey (cont.)
15:30 - 15:45	-	Tea break
15:45 - 17:00	-	Market Survey (cont.)

DAY 4

Time		Session
09:00 - 09:15	-	Review of previous discussion
09:15 - 11:00	-	Market Survey (cont.)
11:00 - 11:15	-	Tea break
11:15 - 13:00	-	Market Survey (cont.)
13:00 - 14:00	-	Lunch break
14:00 - 14:55	-	Market Survey (cont.)
14:55 - 15:30	-	Capital and its Sources
15:30 - 15:45	-	Tea break
15:45 - 16:00	-	Capital and its Sources (cont.)
16:00 - 17:00	-	Costing Goods

DAY 5

Time	Session
09:00 - 09:15	- Review of previous discussion
09:15 - 11:00	- Pricing Goods
11:00 - 11:15	- Tea break
11:15 - 13:00	- Marketing Goods
13:00 - 14:00	- Lunch break
14:00 - 14:30	- Marketing Goods (cont.)
14:30 - 15:30	- Keeping Accounts
15:30 - 15:45	- Tea break
15:45 - 17:25	- Keeping Accounts (cont.)

DAY 6

Time	Session
09:00 - 09:15	- Review of previous discussion
09:15 - 11:00	- Risks in Business
11:00 - 11:30	- Tea break
11:30 - 13:00	- Competencies in Business
13:00 - 14:00	- Lunch break
14:00 - 15:30	- Course Evaluation
15:30 - 16:00	- Tea break
16:00 - 16:45	- Course Evaluation (cont.)
16:45 - 17:00	- Closing

Inauguration and Introduction

Session Plan

- a) Session Title** Inauguration and Introduction
- b) Session Number** 1
- c) Time** 2 hours 40 minutes
- d) Objectives** At the end of the course, the participants will be able to:
- Introduce each other
 - Relate the objectives, expectations and in-house rules of the training
- e) Contents**
 - Inauguration and welcome address
 - Registration
 - Introduction and breaking the ice
 - Objectives, expectations and in-house rules of the training
 - Explaining the training schedule
- f) Resources**
 - Attendance sheet
 - Betel leaf, lime and tobacco packet (enough for each participant)
 - Training schedule
 - Handouts 1.1, 1.2
- g) Methods**
 - Lecture and discussion
 - Structured experience
 - Group work
 - Discussion

Session Guide

Step 1	Inauguration and welcome address	Time: 15 minutes
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- 1.1 Thank all participants
- 1.2 Introduce the guest(s) present for the inaugural session
- 1.3 Ask participants to introduce themselves
- 1.4 Invite the guests(s) to speak
- 1.5 Invite speaker(s) on behalf of the participants
- 1.6 Declare formal inauguration of the training course (or arrange for a formal declaration by the chief guest)

Step 2	Registration of participants	Time: 15 minutes
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- 2.1 Circulate the registration form among all participants
- 2.2 Explain how to sign the attendance sheet daily

Step 3	Introduction/breaking the ice	Time: 1 hour 30 minutes.
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- 3.1 Distribute the packets and explain what to do (Handout 1.1)
- 3.2 Now invite everybody to introduce themselves and tell a joke or sing or act out something, etc.
- 3.3 Distribute name cards
- 3.4 Get feedback from all concerning their feelings about the exercise

Step 4	Objectives, expectations and in-house rules of the training	Time: 40 minutes
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- 4.1 Discuss the objectives of the course (Handout 1.2)
- 4.2 Ask the participants about what they expect from the course and have them (in groups) write down their expectations on poster paper. Then invite each group to present. Compile the expectations on a single sheet of poster paper and display on the wall.
- 4.3 Ask for ideas on how to better manage the course. Get opinions of all and write them down on a sheet of poster paper.
- 4.4 Distribute the training schedule and ask participants to see whether it matches their expectations.

Guidelines for Breaking the Ice

Here is one example of breaking the ice that the trainer can use. There are others that he or she can choose from, depending on the local culture.

Prepare separate packets of betel leaf, lime and tobacco. The total number of packets should equal the number of participants. Mix up the packets and ask each participant to pick up one. No participant can show the others what is inside his/her packet. Now request all to consume the contents of their packets. They cannot move from their seats, nor discuss anything with their neighbours. Tell them to keep the packet if they cannot use the contents properly.

Ask the participants who could not use the contents of their packet, why they could not use them. After their responses, allow them to approach other participants to get the required matching items and consume them properly.

Now everybody is sharing the contents of their packets with others and consuming the betel leaves, lime and tobacco together.

Next, ask the participants:

- Why couldn't they consume the contents of their packets properly?
- How could they consume these the second time round?
- During the second time round, what benefits could they see from sharing?

Explain the benefits of mutual sharing in every sphere of life (e.g., experiences, opinions).

In-house Training Rules

We shall:

1. Arrive on time.
2. Pay attention to the deliberations.
3. Speak one at a time.
4. Not make any side talk.
5. Ask for clarification for better understanding.
6. Allow others to speak.
7. Be frank on all matters.
8. Participate in group activities.
9. Not leave the training centre unnecessarily.
10. Share views with others.

Various Types of Economic Activities

Session Plan

- a) **Session Title** Various Types of Economic Activities
- b) **Session Number** 2
- c) **Time** 2 hours 30 minutes
- d) **Objectives** At the end of the course, the participants will be able to:
- Identify various types of economic activities
 - State the advantages and disadvantages of wage-earning activities and self-employment
- e) **Contents** • Developing self-confidence as an entrepreneur
- Identification of various types of economic activities
 - Wage-earning and self-employment
 - Advantages and disadvantages of wage-earning and self-employment
 - Taking initiative and issues for consideration
 - Assessment of learning
- f) **Resources** Handouts 2.1, 2.2, 2.3, 2.4, 2.5
- g) **Methods** • Case study
- Brainstorming
 - Discussion
 - Question and answer

Session Guide

Step 1	Ways to increase self-confidence as an entrepreneur	Time: 25 minutes
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- 1.1 Start the session by saying 'we shall read a story'. Distribute the case study *Malee* (Handout 2.1) to all and ask them to read it.
- 1.2 Ask questions to see if they have understood what they have read
- 1.3 Discuss the questions at the end of the case study

Step 2	Identification of various types of economic activities	Time: 30 minutes
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- 2.1 Ask the participants what women and men generally do to earn money
- 2.2 List the responses on poster paper
- 2.3 Discuss one by one the items on the prepared poster on economic activities (Handout 2.2)
- 2.4 Summarize the contents of both posters

Step 3	Introducing wage-earning and self-employment	Time: 40 minutes
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- 3.1 Refer to the previous list of activities and invite all to see the video *Economic Activities*
- 3.2 Ask for comments on the film and to share views on what they have learned; add more economic activities to the poster from their responses
- 3.3 Discuss wage-earning activities and the self-employment activities. Prepare a two-column poster with headings for these two types of activities. Point out one by one various types of activities from the previous poster and ask under which category do these activities fit? Why? Write down each activity in the appropriate column of the poster
- 3.4 Get feedback from all about their perceptions of wage-earning activities and self-employment activities

Step 4	Discussion about the advantages and disadvantages of wage-earning and self-employment activities	Time: 20 minutes
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- 4.1 Ask participants to think over the advantages and disadvantages of wage-earning and self-employment activities
- 4.2 Put a number of cards with statements of both advantages and disadvantages on the table (**Note: The trainer should prepare these cards before the session in the same format as Handout 2.3**)
- 4.3 Invite the participants one by one to pick up a card and read the statement on his/her card. (S)he should decide in which category of economic activity (wage earning or self-employment) it fits. Write the results on a sheet of poster paper.
- 4.4 Wrap up with brief discussion on the advantages and disadvantages, emphasizing the advantages of self-employment

Step 5	Taking initiative and issues for consideration	Time: 25 minutes
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- 5.1 Distribute Handout 2.4 to all and ask them to read it
- 5.2 Ask them to put their individual responses (1/2/3) in the 'Individual' column
- 5.3 Divide the participants into groups and ask them to put group responses in the 'group' column. Each group will present its responses
- 5.4 Discuss the issues mentioned in the handout and explain the equal importance of all of these

Step 6	Assessment of learning	Time: 10 minutes
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- 6.1 Distribute Handout 2.5 to all for assessment of learning and ask them to respond
- 6.2 Collect the responses and hold a brief discussion through question and answer. Wrap up by asking questions about their learning from this session.

Handout 2.1

Malee

Malee married Arun about eight years ago. Arun's family was very poor at that time. Arun lived in a small hut with his aged parents. They did not have any cultivable land. Arun was the only wage earner in the family. He was a day labourer for a landlord, earning a very low wage. They were living in dire hardship.

One year after the marriage of Malee and Arun, the first child was born. It increased the living expenses of their family.

Malee went to her parents for help, but failed to obtain any. Then she went to a relative, with no result. Arun also fruitlessly tried to borrow some money. They become very frustrated.

With no other alternative, Malee joined a savings and credit group of a local organization, following the suggestion of her friend, Meena. She started growing vegetables at home. Gradually she was becoming a functioning member of the group.

Malee discussed her problems with fellow group members. Some advised her to start a small business. But Malee thought, being a woman, how could she run a business? The neighbours would not take to it easily. She had no idea how to start a business. If she failed, it would be difficult for her to repay the loan.

One day she met Kama, who owned a nursery. Kama explained to Malee the basic rules for operating a plant nursery. Malee became more confident. She asked questions. Becoming interested, she joined in a training course on nursery operations. She also contacted some other nursery owners. Finally she decided to start up a nursery. She borrowed from the group and went into business.

For the last eight years Malee has been doing well through her nursery. She does not face the problems that she was facing eight years ago. She has repaired the house and sends their children to school.

Questions

- What was the condition of Arun's family when Malee married him?
- Did anybody help Malee and Arun?
- How could Malee change their condition?
- How can we use the experience of Malee in our own lives?

Economic Activities

With the increase in population, people's needs have also increased. Both women and men have to seek income to meet the extra expenses in the family.

Various kinds of work men/women do to earn money

- Shop keeping
- House-maid
- Day labourer
- Rice husking for others
- Rice husking for sale
- Poultry raising
- Livestock rearing
- Road construction
- Making bricks
- House construction
- Petty trade
- Aquaculture
- Washing clothes
- Operating a tea stall
- Cooking at a restaurant
- Other

Advantages and Disadvantages of Wage-Earning and Self-Employment

Advantages and Disadvantages of Wage-earning

Advantages

- Regular and fixed income
- Low risk
- Advice from others not often required

Disadvantages

- Less possibility of increase in income
- Increasing dependency
- Difficult to find a new job
- Limited scope to apply one's own ideas
- Work may not always be available
- Always have to obey somebody else
- No work available in old age
- Sometimes have to work even when ill

Advantages and Disadvantages of Self-employment

Being self-employed (using one's own initiative, intelligence and capital to earn and perhaps employ others) has many advantages and disadvantages.

Advantages

- Skills improved day by day
- Possibility of increased income
- One can work at one's own discretion
- No need to be dependent on others
- No risk of losing a job

Disadvantages

- One has to make continuous efforts to improve skills
- Risk is involved
- Requires own capital
- Requires updated knowledge of the market situation
- One may incur loss

Note: The advantages and disadvantages mentioned on this page should be written on note cards by the trainer for conducting the session.

Handout 2.4

Issues to Consider before Initiating an Enterprise

Put values (1/2/3) in the 'Individual' column of the following table: 1 for the highest value and 3 for the lowest. Once the individual exercise is over, then put in the group views.

	Issues to consider	Individual opinion	Group opinion
1.	Is the work what I/we want to do		
2.	Whether the experience required for the work is available		
3.	Whether the entrepreneur has the experience		
4.	The amount of capital required has been assessed		
5.	Whether I/we own the capital		
6.	Whether there are other ways of capital mobilization		
7.	Awareness of the risks involved		
8.	How to increase skills and experience for undertaking the work		
9.	Whether other relevant facilities are available and within reach of the entrepreneur		

Assessment of Learning

Answer the following questions in your own words.

1. In your opinion, what can be done to increase self-confidence?

2. What is meant by self-employment activities?

3. What are some wage-earning activities?

Concepts of Entrepreneurship

Session Plan

- a) **Session Title** Concepts of Entrepreneurship
- b) **Session Number** 3
- c) **Time** 2 hours 15 minutes
- d) **Objectives** At the end of the course, the participants will be able to:
- Tell how to get ideas for an enterprise and identify things to be done.
 - Explain the steps to initiate an enterprise.
- e) **Contents**
- Ways to learn about entrepreneurship
 - Functions in an enterprise
- f) **Resources**
- Series of cards
 - Poster paper
 - Learning assessment sheet
- g) **Methods**
- Question-answer and discussion
 - Series of cards

Session Guide

Step 1	Ways to learn about entrepreneurship	Time: 1 hour 20 minutes.
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- 1.1 Discuss the following points regarding various aspects of enterprise with the help of Handout 3.1
 - Importance of learning about an enterprise
 - How to acquire ideas for an enterprise
 - Importance of identifying an appropriate business
 - Points to consider in identifying an appropriate business
 - Points to consider in deciding to select a business
- 1.2 Divide the participants into small groups. Each group discusses the points mentioned above and prepares a checklist. Ask them to present and generalize.

Step 2	Functions in an enterprise	Time: 45 minutes
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- 2.1 Put the cards (Handout 3.2) on the table and invite participants to look over the various functions of an entrepreneur written on the cards
- 2.2 Form four groups and distribute one set of cards to each group
- 2.3 Ask them to arrange the functions in sequence
- 2.4 Discuss each of the functions
- 2.5 Wrap up by saying that we will discuss how to accomplish these functions later

Step 3	Learning assessment	Time: 10 minutes
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- 3.1 Distribute the learning assessment form and ask participants to complete it
- 3.2 Collect the forms, hold brief discussion on the outcome of the session and conclude

Getting Ideas for an Enterprise

1. Importance of getting ideas for an enterprise

Basic ideas are required in all cases to perform any work successfully. If the concept of the work is not clear, it becomes impossible to do it successfully. The same is true for launching an enterprise. One should acquire the basic concepts about entrepreneurship before getting involved in running an enterprise. This knowledge helps you to run the enterprise smoothly and also to explore the possibilities of taking new initiatives. It also helps in correct decision making. For example, Sakhina and Hasina decided to start up weaving as a business. Sakhina started right away, but Hasina searched for information related to this business from various sources. In addition, she collected information about the potentialities of other kinds of business. The result was that, at one point, when she found weaving unprofitable, she switched over to poultry raising.

2. How to get ideas

- Consult with those who are currently in the business.
- Observe other enterprises to identify problems and think about possible solutions.
- Discuss with friends and neighbours.
- Get ideas from the existing available merchandise in the market.

3. Identifying the appropriate trade

Not everyone has the skill to succeed at every kind of enterprise. Thus, it is essential to be selective in identifying one's trade. The selection should be made according to the ability and interest of the entrepreneur. Success in business very often depends on this choice. For that reason, one should make the decision after getting enough relevant information about a particular trade or business. It will help to:

- Run the business smoothly.
- Avoid loss from major mistakes.

4. Factors to consider in selecting a business

- Whether it is possible for one to operate the enterprise successfully
- What risks are involved
- Profitability
- Attractiveness

5. Factors to be considered in deciding about initiating an enterprise

One must allow for both profit and loss in any business. Some people may earn large profits, others may break even. Sometimes people become bankrupt. That is why it is important to be careful in selecting a trade. One should consider the following points in making this selection:

- Availability of experienced and knowledgeable persons to consult with
- Mobilization of sufficient capital
- Adequate demand for the products/goods in the market
- Facility for marketing
- Facility for storage of goods
- Availability of raw material
- Ability to get support from the government

Handout 3.2

Functions in an Enterprise

Preparing Business Plan

Surveying the Market

Mobilizing Capital

Analyzing Costs

Pricing Goods

Marketing Products

Keeping Accounts

Identifying Risk Factors

Looking for Ways to
become
Self-reliant

Assessment of Learning

Answer the following questions in your own words.

1. Why is it important to acquire ideas and background information about an enterprise?

2. What factors are to be considered in selecting an enterprise?

3. What are the functions of an entrepreneur?

Planning for an Enterprise

Session Plan

- a) **Session Title** Planning for an Enterprise
- b) **Session Number** 4
- c) **Time** 2 hours 10 minutes
- d) **Objectives** At the end of the course, the participants will be able to:
- Explain the concept of business planning and its importance
 - List the factors to be considered for planning
 - Prepare a preliminary plan for an enterprise
- e) **Contents**
- Planning and its importance
 - Factors involved in the planning process
 - Preparing a preliminary business plan
- f) **Resources**
- Poster paper, markers and scotch tape
 - Handouts 4.1, 4.2, 4.3, 4.4
- g) **Methods**
- Discussion
 - Individual and group discussion
 - Group work and presentation

Session Guide

Step 1	Planning and its importance	Time: 45 minutes
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- 1.1 Prepare a poster similar to Handout 4.1
- 1.2 Find out what the participants know about planning
- 1.3 Explain the concept and importance of planning following the points mentioned in Handout 4.1

Step 2	Factors involved in business planning	Time: 30 minutes
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- 2.1 Prepare a poster similar to Handout 4.2. Explain each factor to the participants and provide examples. Add further points from the discussion of the participants.

Step 3	Preparing a preliminary business plan	Time: 45 minutes
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- 3.1 Initiate discussion by saying that so far we have discussed the essential factors of business planning. Now we shall prepare a plan by ourselves.
- 3.2 Distribute Handout 4.3 and ask participants to fill in the blanks
- 3.3 Divide the participants into small groups and ask them to discuss their draft plans
- 3.4 Invite each group to present its plans

Step 4	Assessment of learning	Time: 10 minutes
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- 4.1 Distribute assessment form (Handout 4.4)
- 4.2 Discuss opinions of the participants and wrap up the session

Planning an Enterprise

1. What is planning?

It is good to think about a task before starting to do it. This thinking helps to accomplish the work smoothly. When thinking is done logically and sequentially, then it is called planning. A few basic questions always help in thinking logically:

- Who will do the work?
- Why?
- How will it be done?
- When will it be done?
- What materials are required?

The final answers to these questions become your plan.

2. Importance of planning

A good plan helps us in many ways:

- To get ideas about the business
- To facilitate in getting financial support
- To reduce risk of loss
- To develop self-confidence
- To help solve problems
- To help run the business smoothly
- To help select an appropriate business

3. Factors to be considered in making a good business plan

One should consider some key factors in preparing a good business plan. Some of these include:

- Income
- Expenditure/cost
- Credit/source of investment
- Amount of credit and rate of interest
- Marketing channels
- Storage
- Profit

Income

In a few businesses one can earn from the very beginning, but in most cases one has to wait a while to get an income. For example, if one decides to raise poultry, one has to wait for a particular period until the fowl are mature, whereas in the cases of weaving or running a shop, the entrepreneur can begin to earn immediately. Thus, in the business plan, it is important to calculate the time when earnings will begin.

Expenditure

Expense is a regular phenomenon in business. For example, in running a poultry farm, there are costs for the coops, food and medicine. An estimate of these expenses must be included in the planning. Otherwise, it will be difficult to work out future profit or loss.

Source of credit/investment

Money is an essential requirement for any business. The initial investment can come from various sources, such as borrowing from friends or from the bank, or using one's own funds. In the plan, the specific source of investment has to be mentioned.

Credit and the rate of interest

All credit has to be repaid with the applicable rate of interest. This repayment process has to be mentioned in the plan. If the loan is not repaid in time, the liability increases, which ultimately may result in loss to the business. Thus if funds are borrowed, the calculation of credit, amount of interest to be paid and the repayment schedule should be mentioned in the plan.

Sales/marketing

This is very important in any business. Success in business depends mostly on the sale of goods/products. If the selling cannot be done properly, the risk of incurring a loss increases. How the products/goods will be sold, where and in what quantity have to be mentioned in the plan.

Storage of goods

The unsold goods will perish if not preserved properly. Any surplus goods/products thus should be stored at an appropriate place with due care. Storage facilities should be chosen earlier and mentioned in the plan.

Profit

In business, there is an equal possibility of getting profit or incurring loss. In cases of profit entrepreneurs feel encouraged. They are inspired to expand the business. But in most cases, the entrepreneurs do not maintain a proper record of their profits. Lacking this information, they cannot make any plans for the future. There should be a projection of profit earnings in the business plan so that a regular assessment of profit can be made.

Factors to be Considered in Business Planning

- What type of business will it be?
- Does the entrepreneur have enough experience to run the business?
- What risks are involved?
- What is the demand for the products/goods/services provided by the business?
- Will it be profitable?
- How much capital will be required?
- Are there sources of adequate capital?
- How will the capital be mobilized?
- Are the required facilities and infrastructure available?

Handout 4.3

Format for Preparing a Preliminary Plan

1. Name of enterprise: _____
2. How much money is required: _____
3. Amount of own capital: _____
4. Source of remaining capital required: _____
5. Experience acquired to date: _____

6. Other types of experience required: _____

7. Number of employees required: _____
8. Types of facility required to run the enterprise: _____

9. Expected volume of production per month: _____
10. Where the products/goods will be marketed: _____

11. Estimated profit per month: _____
12. Risks involved in running the enterprise: _____

Assessment Sheet

Check the box indicating whether you agree or disagree:

	Yes	No
1. A business plan is required to get credit only.	<input type="checkbox"/>	<input type="checkbox"/>
2. Preparing a plan reduces the risk of loss in business.	<input type="checkbox"/>	<input type="checkbox"/>
3. It is essential to have a plan to run a business smoothly.	<input type="checkbox"/>	<input type="checkbox"/>
4. Planning helps in selecting a proper business.	<input type="checkbox"/>	<input type="checkbox"/>
5. Making a plan means wasting time.	<input type="checkbox"/>	<input type="checkbox"/>

Market Survey

Session Plan

- a) **Session Title** Market Survey
- b) **Session Number** 5
- c) **Time** 11 hours
- d) **Objectives** At the end of the course, the participants will be able to:
- Explain what information will be collected and from which source
 - Prepare a questionnaire for a market survey
 - Analyze the information from the survey and use it in selecting a business
- e) **Contents**
- Types of information to be collected
 - From whom information will be collected and how
 - Type of questions asked
 - Preparation of a questionnaire
 - Preparation for a survey
 - Conducting the survey
 - Analysis of data collected, preparation of report and presentation
 - Finalizing a business plan
 - Importance of a market survey
- f) **Resources** Handouts 5.1, 5.2, 5.3, 5.4, 5.5, 5.6, 5.7, 5.8
- g) **Methods**
- Discussion
 - Role play
 - Question and answer
 - Exercise
 - Group discussion

Session Guide

Step 1	Types of information to be collected	Time: 45 minutes
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- 1.1 Distribute Handout 5.1 to all and ask to read
- 1.2 After reading, request participants to answer the questions
- 1.3 Ask several participants to share their answers with the group
- 1.4 Explain how to survey the market
- 1.5 Ask about what types of information can be collected from the survey. As participants respond, write down the points on poster paper.

Step 2	From whom information will be collected and how	Time: 30 minutes
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- 2.1 Distribute Handout 5.2 to all and ask to read
- 2.2 Ask participants to fill in the forms individually
- 2.3 Arrange small group discussion of the completed forms
- 2.4 Ask each group to present
- 2.5 Check whether the issue is clear to all

Step 3	Types of questions asked	Time: 25 minutes
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- 3.1 Ask participants about the ways to collect information about the market
- 3.2 Ask how can we get the information required in number 1 of Handout 5.2. Explain that for this information we have to ask both buyers and sellers a few questions. The questions to be asked should be prepared beforehand. Similarly, questions covering areas to be explored have to be prepared in advance.
- 3.3 Discuss the types of questions
- 3.4 Distribute Handout 5.3 and explain its content

Step 4	Preparation of a questionnaire	Time: 2 hours
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- 4.1 Divide the participants into small groups. Each group will survey a specific area. The groups will select the content areas they will survey. (Selection of location, arrangement for visit, etc. have to be arranged in advance.)
- 4.2 Ask the groups to prepare their own questionnaires following the guidelines in Handout 5.3. They will write down the questions on poster paper.
- 4.3 Each group will present their questionnaire. Help them to finalize it.
- 4.4 Following the guide for role play (Handout 5.4), invite participants to act out the roles
- 4.5 Request all to finalize their questionnaires on the basis of discussion

Step 5	Preparation for a survey	Time: 30 minutes
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- 5.1 Check the preparation for the survey on the basis of the checklist in Handout 5.5
- 5.2 Invite participants to prepare themselves for the field-work exercise
- 5.3 Select a leader for each group
- 5.4 Confirm the preparation of each group from the leaders

Step 6	Conducting the survey	Time: 3 hours
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- 6.1 The group members will conduct their surveys and record the findings on the sheets provided
- 6.2 At the completion of the survey, they will collect all survey material and return to meet the other participants

Step 7	Analysis of data collected, preparation of report and presentation	Time: 1 hour
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- 7.1 Ask participants in small groups to discuss the findings from their surveys
- 7.2 Call each group to present its findings. Other groups will ask questions for clarification at the end of the presentations. Organize a brief discussion after each presentation.

Step 8	Finalizing a business plan	Time: 2 hrs. 30 m.
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- 8.1 Now ask each participant to think and decide which business he/she would prefer. (*Make it clear that this choice is for the purpose of the training course only.*)
- 8.2 Distribute Handout 5.6 to all and ask participants to prepare their individual and group plans
- 8.3 After preparation of the business plans, ask them to set a time frame according to the format used in Handout 5.7

Step 9	Importance of a market survey	Time: 15 minutes
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- 9.1 Ask participants to express their views about the market survey
- 9.2 Solicit opinions about the inconveniences of not conducting any market survey and write down the points on the board

Step 10	Assessment	Time: 5 minutes
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Distribute Handout 5.8 and assess learning achievement

Handout 5.1

Lokman's Grocery

Rama lives in Samut village. He was married with two children. He thought about starting a small shop, but did not dare to do so outright. He saw the difficulty Lokman was having with his shop. There are few sales. Very few villagers go shopping at his shop. Mostly they buy goods from the market. Rama asked neighbours why they did not go to Lokman's shop. Most of them complained that essential goods were not available there, or else were priced too high. In addition, the shop was not kept open regularly and some of the goods were of low quality. Rama thought this information would be useful for him. If he could overcome these problems, maybe his shop would be a success. Rama also obtained advice from nearby shopkeepers about the conveniences and inconveniences of operating a shop. After considering all this information, Rama selected a site for the shop, purchased stock and started doing business. The new shop attracted many customers. Lokman was perplexed. He asked Rama his secrets. When Rama shared his ideas for operating the shop, Lokman realized the mistakes he had committed so far.

Questions:

1. What are the reasons for fewer customers in Lokman's shop?
2. What are the reasons for the success of Rama's shop?

Market Survey

What to know	How to know	From whom
1. Present demand for goods and nature of demand		
2. Which quality goods attract most customers (best, medium, low)		
3. Whether supply is adequate		
4. What are convenient times for customers		
5. What the customers like most (e.g., accurate measurement, fair price, etc.)		
6. General relations of customers with sellers		
7. Possible number of competitors		
8. Sales value of the goods		
9. Who are the customers		
10. What are the current problems faced by shop-keepers		
11. What favourable situations are prevailing		
12. Where the goods are purchased		
13. Whether the number of producers is gradually increasing		
14. Other		
a)		
b)		
c)		
d)		

Types of Questions

A survey of the market is an important requirement for initiating any successful business. Collecting information is the key to any kind of market survey. One has to go to the buyers and sellers to collect information. They have to be asked specific questions. The questions have to be asked so that they are understood easily and quickly. The persons doing the survey have to keep in mind that both buyers and sellers are very busy. To avoid getting them irritated, the questions have to be planned so that the maximum information can be obtained in a short time. Only key questions should be asked. The questionnaire should be prepared in advance, based on the need for specific information. The questions should be simple, short and specific. The following types of questions can be asked:

- Which goods do you buy daily/monthly?
- Which goods are of an essential nature?
- Do you buy any goods from a long-distance market?
- Why do you go to a long-distance market?
- What types of behaviour from salespeople irritate you?
- What types of goods do you sell?
- Which goods are sold most?
- What types of problems do you face in this area?
- Where do you buy goods for the shop?
- What are your suggestions for running a shop in this area?

Guide for Role Play

After preparation of the questionnaire, arrange a role play session to demonstrate how it can be used during the market survey. Some participants will be interviewers and some will be villagers or shopkeepers. To facilitate the role play, follow these guidelines:

- Select 4 or 5 participants to be the persons administering the questionnaire.
- Have them rehearse the role play (how to ask questions and record responses).
- Other participants will be villagers (buyers and sellers).
- Select 5 persons to be observers and ask them to observe the role play, identify problems and record them on separate sheets.
- After the role play, have the observers, interviewers, buyers and sellers exchange their views about the exercise.
- Revise the questions, if necessary.
- Wrap up by giving instructions on how to administer the questions more effectively and how to face problems, if they arise.

Handout 5.5

The Market Survey and Its Preparation

Select the market that you want to survey. Contact a few buyers and sellers personally about the survey, so that they do not feel irritated when it actually occurs. Make rounds of the market along with the leaders of the training groups.

Specify which group will cover which part of the area/market. (It is better not to have all groups concentrate in one area.) Other things to be kept in mind are:

- Whether initial contact has been made with the buyers and sellers
- Whether the questionnaire has been prepared
- Whether it is clear to all how to administer the questions
- Whether group members have decided who will ask which question
- How to approach the people to be interviewed (building rapport)
- Time planned for each interview
- When to start and to end, including establishing a reassembly point at the end of the day
- How to preserve the data and prepare a report

Types of Information to be Collected during the Survey

1. Current level of demand for goods
2. How much is supplied
3. Degree of competition
4. Sales value of the goods
5. How things are sold
6. Background information (education, experience) about the customers
7. How much customers spend for specified items
8. Availability of raw materials
9. Cost of raw materials (low, high, medium)
10. Other

All of the expected areas of information have to be covered through the questionnaire and the methodology has to be specified. Otherwise, the basic purpose of a market survey will not be achieved.

[The original publication shows tables/figures on this page.]

Format for Planning and Enterprise

1. General information

Name of entrepreneur _____

Name of enterprise/business _____

Village _____ District _____

Post office _____ Province _____

Date of birth _____

Educational qualification _____

Training _____

2. Reasons for selecting this enterprise

a) What experience do you have for running this enterprise?

b) How would you expand the business?

c) How would you accumulate resources for the enterprise?

3. Market report

a) What is the demand for the goods/products?

b) What is likely to be the future demand for these goods?

c) What is your plan for marketing the goods?

4. Location of the enterprise

Name of the enterprise _____

Village _____ District _____

Post office _____ Province _____

Location _____

Why did you choose this location?

5. Capital expenditure

Item no.	Particulars	Cost

6. Manpower requirements

Item no.	Type of people (experience/ for what purpose, etc.)	Number of people	Monthly pay

7. Monthly expenses

Calculate monthly expenditures of production (electricity, raw materials, rent, etc.)

Particulars	

8. Total investment (capital, machinery, site, etc.)

Particulars	

9. Monthly profit

Particulars	Income	Expenditure

Handout 5.7

Time Frame for Implementation of the Plan

The final task for implementing a business plan is setting a time frame. It is important to identify the steps for implementing the plan. Equally important is specifying when each step will be completed. It helps to complete all steps smoothly and on time. The following table presents a format to help you decide when to start and complete the various steps of the business plan. All participants should prepare their implementation plans on the basis of this table.

	Steps	Planned start date	Planned completion date
1.	Selection of goods		
2.	Market survey		
3.	Identification of location		
4.	Contact for credit		
5.	Purchase of items		
6.	Purchase of furniture		
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			

Learning Assessment Sheet

Check the appropriate box:

	Yes	No
1. There is no need to survey the market before starting up a business.	<input type="checkbox"/>	<input type="checkbox"/>
2. The amount of goods to be produced or procured can be determined from a market survey.	<input type="checkbox"/>	<input type="checkbox"/>
3. There are 1,000 people in a village of which 300 are smokers. The market for cigarettes in the village is based on the demand of 1,000 people.	<input type="checkbox"/>	<input type="checkbox"/>
4. It is not necessary to visit any shops for conducting a market survey.	<input type="checkbox"/>	<input type="checkbox"/>
5. Surveying is a waste of time.	<input type="checkbox"/>	<input type="checkbox"/>

Capital and its Sources

Session Plan

- a) **Session Title** Capital and its Sources
- b) **Session Number** 6
- c) **Time** 45 minutes
- d) **Objectives** At the end of the course, the participants will be able to:
- Identify various sources of capital mobilization
 - Identify sources of institutional credit
- e) **Contents**
- Sources of capital/credit
 - Ways to mobilize capital/ arrange credit
- f) **Resources** Credit-related documents of banks/financial institutions
- g) **Methods**
- Question and answer
 - Discussion

Session Guide

Step 1	Sources of credit/capital and ways to mobilize	Time: 30 minutes
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- 1.1 Discuss with the participants how much money (capital) they would require for starting their business
- 1.2 Ask them what sources of capital are available. Write these down on a sheet of poster paper.
- 1.3 Discuss the contents of Handout 6.1. A number of sources are mentioned here. Ask participants which source would be best for them. Discuss the procedures for getting credit/capital from these sources.

Step 2	Assessment of learning	Time: 10 minutes
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Distribute Handout 6.2 to all participants and assess their learning in regard to the issues discussed

Handout 6.1

Sources and Ways to Mobilize Capital/Credit

There are a number of sources of capital or credit. These include:

- NGOs
- Banks
- Money-lenders
- Relatives
- Neighbours

NGOs

The first step is getting membership in a group and starting to deposit one's savings. Later on, the member can ask the group to recommend a loan for him/her. The person has to apply formally by filling out a loan application form and getting a recommendation from the group leader or chairperson. The application should then be sent to the office of the NGO through the supervisor. The loan can be obtained from the appropriate office after approval. Different NGOs have different procedures for sanctioning credit (it is better to know the exact procedures for getting a loan from the office concerned).

Banks

For a bank loan, you need to obtain an application form from a bank. The completed form must be submitted to the bank along with title deeds of the applicant's assets. The application requires two references. The bank approves credit after due scrutiny. The sanctioned loan can be drawn from the bank when required. The bank follows its own rules for sanctioning loans. Before applying for a loan, these rules should be known in detail.

Discuss other sources of credit. If possible, collect sample loan application forms and share the features of these with the participants. Of course, procedures for attaining funds from money-lenders, relatives and neighbours are much more informal and very according to the local culture.

Learning Assessment Sheet

What are the sources of credit in your area?

Costing Goods

Session Plan

- | | | |
|----|-----------------------|--|
| a) | Session Title | Costing Goods |
| b) | Session Number | 7 |
| c) | Time | 2 hours |
| d) | Objectives | <p>At the end of the course, the participants will be able to:</p> <ul style="list-style-type: none">• Explain the importance of costing goods and relate the ways of assessing the cost of each product• Explain fixed and recurring expenses related to products/ goods• Assess the total expenses of products/goods |
| e) | Contents | <ul style="list-style-type: none">• Importance of costing• Ways of cost analysis• Assessment of business expenses |
| f) | Resources | <p>Handouts 7.1, 7.2, 7.3, 7.4</p> <p>Poster paper, markers and scotch tape</p> |
| g) | Methods | <ul style="list-style-type: none">• Exercise• Question and answer• Group discussion |

Session Guide

Step 1	Why and how costing is done	Time: 35 minutes
	<ul style="list-style-type: none">1.1 Introduce the subject and ask participants how they might determine the cost of something1.2 Distribute Handout 7.1. Have participants read and then complete the exercise in the handout.1.3 Identify the factors to be considered in costing items and write these down on a sheet of poster paper1.4 Ask for opinions from all regarding the disadvantages of not assessing costs1.5 Discuss the advantages of assessing costs	
Step 2	Fixed and recurring expenses	Time: 30 minutes
	<ul style="list-style-type: none">2.1 Solicit the views of participants about fixed and recurring expenses2.2 Discuss fixed and recurring expenses as summarized in Handout 7.22.3 Assess the level of comprehension by participants	
Step 3	Assessing the cost of products/goods in a selected business	Time: 45 minutes
	<ul style="list-style-type: none">3.1 Ask the participants how they would assess costs in their business3.2 Distribute Handout 7.3, read and discuss3.3 Now request everybody to assess the costs of goods in their own business. A number of participants can work together in this exercise.3.4 Ask participants to present the results of their calculations3.5 Discuss the presentations and conclude with questions about how participants would use this knowledge in practice	
Step 4	Learning assessment	Time: 10 minutes
	Distribute Handout 7.4 and assess learning achievement of participants	

Handout 7.1

Calculating the Costs of Products/Goods

Amina trades rice. She buys paddy from a neighbouring market, prepares rice and sells it to the market. She spends one day for buying, one day for boiling and drying, one day for husking and five days for selling the rice. Amina bought 200 kilogrammes of paddy for US\$10. She spent US\$1 on transport, US\$2 for a porter and US\$1 as tax. Boiling the paddy required firewood worth US\$4. The rate for husking at the mill is US\$1 per 40-50 kilogrammes. Amina could earn US\$2 as a day labourer. Now she is busy full-time with selling rice and has to forgo wages as a day labourer. She gets 28 kilogrammes of rice per 40 kilogrammes of paddy. She borrowed US\$80 and has to pay US\$4 as interest per month.

With this information, please calculate the cost of rice per kilogramme for Amina.

Fixed and Recurring or Variable Expenses

In any business concern, there are two types of expenses: fixed expenses and variable or recurring expenses. It is difficult to run an enterprise if the difference between the two is not perceived. The entrepreneur must have a clear idea about both.

Fixed expenses

Expenditures that are not related to the amount of goods produced are called fixed expenses. Examples are rent of a shop or stall, or the charge for using a scale. These are core expenditures for the business and do not vary with the volume of business.

Variable/recurring expenses

Expenditures that vary with changes in the volume of sales are called variable expenses. When sales increase, the production or supply has to be increased. Thus the purchase of goods or raw materials also increases, resulting in an increase in recurring expenditure.

The following table shows various types of fixed and variable expenses.

Fixed expenses (US\$)		Variable expenses (US\$)	
Rent	100	Purchase of paddy	220 (200 kg)
Electricity	100		
Bag, mat, etc.	20		
Other expenses	200		
Total fixed expenses	420	Total variable expenses	220

This table shows that the total cost for 200 kilogrammes of rice is US\$640 (420 + 220). The per kilogramme cost is US\$3.20 (640/200).

If the amount of rice is increased to 400 kilogrammes, then the per kilogramme cost becomes (640 + 440 = 1080/200) US\$5.40.

In general, fixed expenses never change, while variable or recurring expenses change along with the change in the volume of transactions.

Handout 7.3**Example of Costing (Popped Rice)**

A person prepares popped rice and produces 200 kilogrammes per month. The common expenses for this product are as follows:

1. Paddy	45
2. Porter	5
3. Tax	1.25
4. Boiling and drying	5
5. Paddy husking	3.75
6. Firewood and labour	5
7. Rent	7.50
8. Weighing scale and bag	2.50
9. Estimated cost for self-labour (US\$0.75 x 30 days)	37.50
Total (US\$)	112.50

For producing 200 kilogrammes of popped rice, the total cost is US\$112.50. Therefore, the per kilogramme cost is $(112.5/200)$ US\$0.56.

Since the production cost is US\$0.56 per kilogramme, the sales price should be fixed above this amount.

Learning Assessment Sheet

Check the appropriate box.

	Yes	No
1. It is not important to assess the cost of goods,	<input type="checkbox"/>	<input type="checkbox"/>
2. There is no difference between fixed and variable expenses.	<input type="checkbox"/>	<input type="checkbox"/>
3. Fixed expenses do not influence the costing of goods.	<input type="checkbox"/>	<input type="checkbox"/>
4. Fixed expenses increase with the increase in production.	<input type="checkbox"/>	<input type="checkbox"/>

Pricing Goods

Session Plan

- a) **Session Title** Pricing Goods
- b) **Session Number** 8
- c) **Time** 1 hour 50 minutes
- d) **Objectives** At the end of the course, the participants will be able to:
- Explain the concept and importance of pricing goods
 - Relate the factors contributing to pricing
 - Explain the relations among price, sale and profit
- e) **Contents**
- Importance of pricing
 - Relations among price, sale and profit
 - Process of pricing
- f) **Resources**
- Handouts 8.1, 8.2
 - Poster paper and markers
 - Scotch tape
- g) **Methods**
- Case study
 - Group work
 - Presentation

Session Guide

Step 1	Pricing and its importance	Time: 30 minutes
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- 1.1 Introduce the subject by observing that we have calculated the cost of products/goods; now we shall learn how to determine their sales prices
- 1.2 Distribute Handout 8.1, read and ask participants to answer question 1
- 1.3 Discuss the process of pricing goods

Step 2	Relations among price, sale and profit	Time: 30 minutes
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- 2.1 Explain the negative relations between price and sales and the positive relations between sales and profit. If the price increases sales go down, while if sales go up profit also goes up.
- 2.2 Note that if someone sells more goods with a lower price, there is the risk of a higher loss
- 2.3 Emphasize that the price has to be fixed so that both sales and profits remain at an optimum level. Explain the issue with an example.
- 2.4 Hang up a two-column poster, one column for the disadvantages of low pricing and the other for the advantages of high pricing. Invite the participants to give their views and write their responses on the poster.
- 2.5 Discuss the points one by one

Step 3	Pricing of goods	Time: 40 minutes
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- 3.1 Ask for responses to questions 2 and 3 from Handout 8.1
- 3.2 Discuss the responses
- 3.3 Now ask participants to work individually to set prices for the goods in their selected businesses
- 3.4 Ask them to present the results of their work

Step 4	Learning assessment	Time: 10 minutes
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- 4.1 Distribute Handout 8.2 and assess the level of comprehension

Handout 8.1**Pricing Goods**

Adam is in the pressed rice business. He buys paddy, prepares pressed rice and sells it in his small shop. He also distributes it for sale in 4 or 5 other shops. Adam sells 200 kilogrammes of pressed rice each month. His expenses are as follows:

Part A	
1. Price of paddy: 200 kgs x US\$200	US\$100
2. Labour cost:	US\$600
3. Expense for pressing:	US\$50
Part B	
4. Rent:	US\$50
5. Electricity:	US\$10
Total:	US\$610

Along with this expense, Adam added a daily wage rate of US\$5 per day for his labour in the business. The monthly charge comes to (5 x 30) US\$150. Thus the total expense stands at (610 + 150) = US\$760. Expense per kilogramme is (760/200) US\$3.80.

Adam calculated that if he sells the pressed rice at the rate of US\$3.80 per kilogramme, he would not suffer a loss. Since he has invested his own capital, he does not need to pay interest. If he had to pay that, expense per kilogramme could be higher. He checked neighbouring shops. They were selling at the rate of US\$5 or 5.50. Adam decided to sell at a little less. He started selling at US\$4.50. The other shopkeepers reacted and lowered the price to US\$4. Adam thought that he could not sell at that rate. He kept waiting. Eventually the other shopkeepers realized that they were losing money.

Questions:

1. Why is it important to set prices in a proper way?
2. How did Adam set the price of the pressed rice?
3. What other factors can be considered for pricing goods?

Assessment of Learning

Answer the following questions.

1. How useful is the pricing of goods?

2. What are the relations among price, sale and profit?

Marketing Goods

Session Plan

- | | |
|--------------------------|--|
| a) Session Title | Marketing Goods |
| b) Session Number | 9 |
| c) Time | 2 hours 15 minutes |
| d) Objectives | <p>At the end of the course, the participants will be able to:</p> <ul style="list-style-type: none">• Explain the concept of marketing and its importance• Relate what the entrepreneur should know about customers and competitors• Identify the techniques for increasing sales |
| e) Contents | <ul style="list-style-type: none">• Marketing and its importance• Essential information about customers and competitors• Techniques for increasing sales |
| f) Resources | Handouts 9.1, 9.2, 9.3, 9.4 |
| g) Methods | Case study |

Session Guide

Step 1	Basic concept of marketing and its importance	Time: 30 minutes
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- 1.1 Distribute Handout 9.1 and ask participants to read
- 1.2 Ask for answers at the end of the reading

Step 2	Primary information about customers and competitors	Time: 45 minutes
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- 2.1 Solicit from participants their views about marketing. Discuss the elements of marketing (Handout 9.2)
- 2.2 Ask what information about the customers is required and record on poster paper
- 2.3 Ask for comments about the required information concerning customers and write these on poster paper
- 2.4 Now ask what information is required for competitors and record on poster paper
- 2.5 Distribute Handout 9.2. Read and discuss the material written on posters so far

Step 3	How to increase sales	Time: 50 minutes
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Ask participants about ways to increase sales. Discuss the various strategies mentioned in Handout 9.3. Explain with examples.

Step 4	Learning assessment	Time: 10 minutes
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Distribute Handout 9.4 and assess the learning outcomes

Handout 9.1

The Fate of Nicha

Nicha is unemployed. She has little education. She wants to get established in life. But it is not easy to get a job with a marginal education. Nevertheless, she made up her mind to do something.

Nicha went to Madhupur and learned that lots of pineapple is grown there and cheaply as well. With a little capital she could go into the pineapple business. To buy a full truckload of pineapple, she needed US\$250 and US\$50 for the transport cost. She did not have that much money. She bought about half a load and waited for a partner to share the cost of a full truckload. It took five to seven days to carry the goods in one round. But she has been making a good profit. In each trip she makes a profit of US\$25-30. She can make two trips a month.

Nicha thought that if she could arrange for a full truckload, her profit would be double. She borrowed US\$250 and brought a full truckload of pineapple to her village. Her house was full of pineapple. But she could not sell more than half of it. She tried to sell it retail but even then was not successful. Much of the fruit perished. What could she do? That time Nicha incurred a loss of around US\$125.

- Why did Nicha suffer this loss?

Marketing

- a) Marketing means making your goods or services attractive to customers. One has to acquire adequate information about customers and the current competition in the market to ensure proper marketing. In a nutshell, marketing involves developing strategies for increasing the sale of goods and services.
- b) Important information about customers is required for marketing:
- What products do they want?
 - What quality of product do they want?
 - What colour, size, design, etc. do they prefer?
 - What kind of service do they expect?
 - When do they expect to buy the things they need?
 - Which features of the goods attract them?
 - Other
- c) Important information about competitors is required for marketing:
- At what price do they sell their goods?
 - Do they advertise their goods?
 - What strategies do they follow for increasing the sales of their goods?
 - Have they ever sold goods at a reduced price?
- d) The seller must keep the following points in mind for the proper marketing of goods:
- Create good will in the marketplace
 - Set a fixed price
 - Ensure the quality of goods
 - Make the distribution mechanism easy
 - Inform customers about the quality of goods
 - Keep adequate stock
 - Keep the shop open regularly according to schedule
 - Develop a comprehensive plan for marketing goods/services
 - Other

Strategies for Increasing Sales

1. Improving the quality of goods
2. Ensuring a fair price
3. Keeping adequate stock
4. Cleanliness
5. An attractive preservation system
6. Accurate weighing
7. Keeping up with customer demand
8. Fair dealing with customers
9. Advertising

Assessment of Learning

Answer the following questions in your own words.

1. What is the importance of marketing?

2. What sort of knowledge is required about customers and competitors?

3. What are the strategies to increase sales?

Keeping Accounts

Session Plan

- | | |
|--------------------------|---|
| a) Session Title | Keeping Accounts |
| b) Session Number | 10 |
| c) Time | 2 hours 40 minutes |
| d) Objectives | <p>At the end of the course, the participants will be able to:</p> <ul style="list-style-type: none">• Explain the importance of keeping accounts• Explain the procedures for keeping accounts• Use a ledger, cash book, receipt book, stock register, etc. |
| e) Contents | <ul style="list-style-type: none">• How we keep accounts• Disadvantages of not keeping accounts• Procedures and practice |
| f) Resources | Handouts 10.1, 10.2 |
| g) Methods | <ul style="list-style-type: none">• Question and answer• Exercise |

Session Guide

Step 1	How we keep accounts	Time: 15 minutes
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Ask the participants how they keep accounts

Step 2	Disadvantages of not keeping accounts	Time: 15 minutes
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- 2.1 Ask participants what problems might occur if they do not keep accounts
- 2.2 Collect views of all and write these down on poster paper
- 2.3 Discuss the importance of keeping accounts according to Handout 10.1

Step 3	Procedures and practice	Time: 2 hours
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- 3.1 Solicit views of participants about various ways of keeping accounts
- 3.2 Introduce use of a ledger, receipt book, cash book, and stock register according to Handout 10.1
- 3.3 Ask participants to make ledger book entries according to the exercise in number 6 of Handout 10.1. Provide help if needed.

Step 4	Learning assessment	Time: 10 minutes
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- 4.1 Distribute Handout 10.2 and assess learning achievement

Keeping Accounts

1. What is account keeping?

In every business a number of transactions occur. These are usually accountable in terms of money. These transactions are recorded in sequence according to specific methods. This is called account keeping.

2. Importance of account keeping

The success of a business largely depends on keeping accounts properly. This is why the entrepreneur places much emphasis on it. Before arriving at any decision, one has to know the financial status of the business, which can only be determined if accounts are maintained properly. These accounts are the source of the following information needed to understand a business firm's financial situation:

- Sources of investment and receipt of funds
- Areas of expense
- Debtors and amount of debt
- Creditors and amount outstanding
- Scale of profit or loss
- Present capital and current status of assets

If accounts are kept properly and the above information is available to an entrepreneur, (s)he can manage the financial situation smoothly. Otherwise, there remains the risk of loss.

3. What is a ledger?

Transactions in a business consist of receipts and payments. These are made against certain items. For example, Sude sold a basket for US\$2. Here she received US\$2 and delivered one basket. Both are transactions and have a financial value. In the ledger book, these transactions are recorded separately but are grouped together as transactions of a similar nature. In Sude's ledger book, all transactions relating to sale of baskets are recorded in the same column.

How to keep a ledger book

In keeping a ledger book, all types of transactions must be listed. The format below is one way of preparing a ledger book. A few common types of transactions are sale of goods, buying raw materials, cash in hand, funds in the bank, wages, loans, etc.

Date	Particulars	Transaction no.	Cash in hand			Bank Fund			Sale		Raw materials		Wages		Loan	
			Db.	Cr.	Bal.	Db.	Cr.	Bal.	Db.	Cr.	Db.	Cr.	Db.	Cr.		

Db. = Debit; Cr. = Credit; Bal. = Balance

In the ledger book, both debit and credit influence the transactions. For example, Sude spent US\$1 on 25 April to buy bamboo for making baskets. With this transaction her stock of raw materials (bamboo) increased, but simultaneously her cash fund decreased. In the ledger book, she would have to make two entries: in the debit column for cash in hand and in the credit column for raw materials. Since all transactions influence two items, in a ledger book the entries have to be made twice. This is called a double entry system.

Other than a ledger book, there are a number of books one can use for keeping accounts. These include the receipt book and the stock register.

4. Receipt book

Generally, when goods are received and supplied, records are kept on receipts. These record the particulars of goods (name, specification, etc.), quantity and value. An example of a form in a receipt book is given below:

Example of a Receipt

Receipt				
Receipt no. _____			Date: _____	
Name: _____				
Address: _____				
No.	Particulars of goods	Quantity	Rate	Amount
Total:				
Signature of buyer			Signature of seller	

5. Stock register

Since in every business with financial transactions there are transactions of goods, it is essential to keep records of goods in a register. The book where these records are kept is called a stock register. From the stock register, the situation relating to the receipt and delivery of goods as well as the stock of goods at any given time can be perceived. Since a stock of goods is an important requirement of business, the maintenance of a stock book helps the entrepreneur to monitor the stock situation on a regular basis. Here is an example of a stock register.

Example of a Stock Register

Name of the item: _____					
Date	Previous balance	Receipt	Total	Delivery	Balance

6. Enter the following transactions into a ledger book:

1.5.97	Sude withdrew US\$13 from the bank
2.5.97	Sude purchased bamboo worth US\$2
2.5.97	She paid US\$0.50 for transport
5.5.97	She bought rope for making a basket
15.5.97	Sude sold the basket and received US\$4
18. 5.97	She deposited US\$4 in the bank

Assessment of Learning

Answer the following questions in your own words.

1. Why is keeping accounts important?

2. Which books can be used for keeping accounts?

3. What are the disadvantages of not keeping accounts?

Risks in Business

Session Plan

- a) **Session Title** Risks in Business
- b) **Session Number** 11
- c) **Time** 1 hour 40 minutes
- d) **Objectives** At the end of the course, the participants will be able to:
- Identify possible risks and cautions in business
 - Relate possible ways to overcome risks
- e) **Contents**
- Identification of risks
 - Overcoming risks
- f) **Resources** Handouts 11.1, 11.2
- g) **Methods**
- Group discussion,
 - Question and answer
 - Discussion

Session Guide

Step 1	Identification of risks in business	Time: 30 minutes
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Divide the participants into small groups. Ask each group to identify a few risks that are involved in business. Help the groups to identify points in line with Handout 11.1. Ask each group to present its results.

Step 2	Overcoming risks	Time: 1 hour
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Now ask all groups to work out possible ways to overcome the risks. Have them present their conclusions. Wrap up through discussion.

Step 3	Learning assessment	Time: 10 minutes
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Distribute Handout 11.2 and assess learning achievement

Risks in Business

- Too many sales on credit
- Scarcity of capital
- Sabotage by competitors
- Supply of low quality goods
- Purchase of insufficient or inaccurately weighed goods
- Theft
- Spoilage
- Other

Handout 11.2

Assessment of Learning

Answer the following questions in your own words.

1. In your opinion, what risks are possible in business?

2. What are some possible ways to overcome these risks?

Competencies in Business

Session Plan

- a) **Session Title** Competencies in Business
- b) **Session Number** 12
- c) **Time** 1 hour 35 minutes
- d) **Objectives** At the end of the course, the participants will be able to:
- Explain ways to attain competencies in business
 - Explain what should be done to become competent in their own business
- e) **Contents**
- What are competencies in business
 - Essential elements of competencies and how to attain them
 - What to do to become competent in your own business
- f) **Resources** Handouts 12.1, 12.2
- g) **Methods**
- Question-answer and discussion
 - Poster display and discussion
 - Card show and discussion
 - Group work and presentation

Session Guide

Step 1	What are competencies in business	Time: 20 minutes
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- 1.1 Ask participants what competencies they think are needed in business
- 1.2 Introduce the concept “competencies in business” discussed in section 1 from Handout 12.1

Step 2	Essential elements of competencies and how to attain them	Time: 25 minutes
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- 2.1 After initial discussion, introduce the ideas in section 2 of Handout 12.1
- 2.2 Invite comments from participants concerning how to acquire these competencies
- 2.3 Explain the approach outlined in section 3 of Handout 12.1

Step 3	What to do to become competent in your own business	Time: 40 minutes
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- 3.1 Invite the participants to work in small groups to identify ways to become competent in their own businesses
- 3.2 Ask participants to present their strategies in the plenary session
- 3.3 Wrap up the discussion

Step 4	Assessment of learning	Time: 10 minutes
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- 4.1 Distribute Handout 12.2 and assess learning achievement

Competencies in Business

1. Competencies in business

Certain competencies are required by everyone to be successful in life. For example, to become a good artist one should have very clear ideas about colour and form, and should be creative in his/her thinking. Similarly, an entrepreneur must have certain competencies in order to be successful.

People used to think that only those from business families could do well in business. This is not true. Although people from these families have more advantages and opportunities, they do not always become successful entrepreneurs.

To become successful an entrepreneur should have clear ideas about the business. Also required are skills to get things done properly, a strong desire to improve the business situation and motivation to continue in the long run.

2. Certain important business competencies

To start up a new business and keep it going, an entrepreneur should have certain competencies. A few of the important ones are listed below.

1. Taking new initiatives
2. Exploring opportunities and taking advantage of them
3. Perseverance in accomplishing tasks
4. Always looking for information
5. Improving quality of work and product
6. Keeping commitments
7. Trying to improve capacity at all levels of the enterprise
8. Systematic planning
9. Solving problems quickly
10. Self-confidence
11. Ability to influence others

To acquire these competencies, self-confidence is the key. Firm commitment, trial and experience are all important for building up and sustaining the competencies needed to be a successful entrepreneur.

3. The entrepreneur can follow a five-step approach to acquire and maintain business competencies.

- Identification
 - Self-evaluation
 - Experiment and practice
 - Reinforcement
 - Application in business
- a) The entrepreneur must identify the competencies needed for a successful enterprise. This means looking for those qualities in his/her behaviour that are needed to make all business activities effective. The best way to do this is through self-analysis – looking at one’s everyday actions and behaviour to discover what competencies are present or absent.
- b) Once the entrepreneur has identified competencies, the next essential step is self-evaluation. Here the entrepreneur evaluates his/her performance and decides what aspects of behaviour need improvement.
- c) The next step is to try out and practice the desired behaviours and actions needed to develop business competencies. This has to be done in all of the situations and circumstances faced by the enterprise. Only in this way can (s)he truly assess the attainment of the necessary skills.
- d) The entrepreneur continues to practice these actions and behaviours in order to reinforce the newly-learned abilities and skills through interaction in different situations, so that these become part of his/her life. This reinforcement is a continuous process.
- e) An entrepreneur should attempt to apply everything (s)he has learned to running the business. This means using the newly acquired competencies to help the business flourish in all respects.

Assessment of Learning

Identify the attitude that contributes to building competencies in business. Check the appropriate box.

Attitude	Yes	No
I get as much information as I can before making any decision		
I believe that my current level of experience is enough for running this business		
I always keep my word with customers and suppliers		
I feel uneasy if I fail to provide good quality goods and service		
I pay attention to the suggestions of my workers for improving the business		
I am only interested in developing my own skills		
I try to complete work in progress as quickly as possible		
I never check with customers before deciding to increase the supply of any goods or products		
I am always looking for new products and goods to provide customers		

Course Evaluation

Session Plan

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| a) | Session Title | Course Evaluation |
| b) | Session Number | 13 |
| c) | Time | 2 hours 15 minutes |
| d) | Objectives | At the end of the course, the participants will be able to: <ul style="list-style-type: none">• Recall the course contents• Review major issues discussed during the training• Explain to what extent their expectations about training have been fulfilled• Analyze the success and failure of the course |
| e) | Contents | <ul style="list-style-type: none">• Course review• Assessment of fulfillment of expectations• Course evaluation• Closing remarks |
| f) | Resource | Handout 13.1 |
| g) | Methods | <ul style="list-style-type: none">• Group work• Question and answer• Discussion• Lecture |

Session Guide

Step 1	Course review	Time: 1 hour 15 minutes
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- 1.1 Divide the participants into four groups. Split the course contents into four parts and distribute to the groups. Ask each group to prepare 20/25 questions on the course issues and discuss among themselves the possible answers.
- 1.2 Ask the groups to sit facing each other. Each group will ask questions of the other groups. Ensure that everybody in the groups gets a chance to ask and answer questions. Arrange scoring for the responses. Tally the scores and declare the name of the winning group.

Step 2	Assessment of fulfillment of expectations	Time: 25 minutes
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- 2.1 Hang up the poster with the list of participant expectations, prepared during Session 1
- 2.2 Discuss each expectation and get comments from the participants about whether theirs were met

Step 3	Course evaluation	Time: 15 minutes
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- 3.1 Distribute Handout 13.1 and explain how to fill it out
- 3.2 Ask all participants to freely express their views
- 3.3 Collect the completed forms (keep them for preparing the training report)

Step 4	Closing session	Time: 20 minutes
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- 4.1 Invite one or two participants to speak on behalf of the entire group, sharing their views about the training and how they will be applying what they have learned
- 4.2 Invite a representative from the sponsoring organization to speak to the participants
- 4.3 Close by thanking participants and wishing them well in the future

3. Check the appropriate box.

Service	Excellent	Good	Moderate	Bad
Classroom arrangement				
Quality of food				
Recreational arrangement				

4. Mention the good and bad things about this course (three of each type).

Good things	Bad things
1.	1.
2.	3.
4.	5.

5. Of the total contents of the course, which part did you

a) like the most _____

b) not like at all _____

6. How would you use the experience from this training?

7. Give your overall opinion about the course (check the appropriate box).

Excellent	Good	Moderate	Bad
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8. Write if you have any other comments.
