



FACILITATOR GUIDE

**CEFE Business Skills Training Program
for EA\$E Members**

Illustrations: SW Creatives, LLC

© 2012 by International Rescue Committee
All rights reserved.

International Rescue Committee
Agency Headquarters
122 East 42nd Street
New York, NY 10168
U.S.A.
+1 212 551 3000

www.Rescue.org

For more information about the EA\$E Resources please contact the IRC Women's Protection and Empowerment Technical Unit at info@rescue.org.

FACILITATOR GUIDE

CEFE Business Skills Training Program for EA\$E Members



INTERNATIONAL RESCUE COMMITTEE

ACKNOWLEDGEMENTS

I would like to extend a special thank you to Martine Bonny Dikongue, for her remarkable efforts in adapting the CEFE Training Guide to meet the specific needs of the IRC. This guide was developed as part of the IRC's Economic and Social Empowerment (EA\$E) Initiative. The EA\$E program model was developed in response to the growing recognition that economic programs with targeted social outcomes could have exponentially higher returns for women.

I would also like to thank Bersabeh Beyene, Economic Specialist, IRC Women's Protection and Empowerment, for her passion, commitment and ongoing review and input. Her time and patience has been instrumental in ensuring that the manual is rooted in best practices and keeps at the center the best interest and safety of the women and girls we work with.

A very special word of appreciation goes to the NoVo Foundation for funding the **West Africa Regional Women Rebuilding Nations** project and for making the development of such resources possible. Their generous support has allowed the Women's Protection and Empowerment Unit to develop specific strategies to empower women economically and ensure that they are able to use their new resources free from violence.

Finally, I would like to thank the users of this guide who are the source of many of the lessons learned and who create a unique opportunity for EA\$E members to become successful entrepreneurs.



Heidi Lehmann
DIRECTOR, WPE
INTERNATIONAL RESCUE COMMITTEE



INTERNATIONAL RESCUE COMMITTEE

CEFE BUSINESS SKILLS TRAINING PROGRAM FOR EA\$E MEMBERS FACILITATOR GUIDE



TABLE OF CONTENTS

INTRODUCTION	4
Background	
The CEFE Methodology	
Why Do CEFE with EA\$E Members?	
How to Use This Guide	
MODULE ONE: OPENING SESSION	9
Symbols & Nicknames	
Yarn Coil Exercise	
Administrative Details Exercise	
MODULE TWO: BUSINESS SKILLS	27
Skills Detector Exercise	
Bracelet Production Exercise	
Family Council Meeting Exercise	
Simple Bookkeeping Exercise	
MODULE THREE: PROJECT DEVELOPMENT	61
Brainstorming Exercise	
Project Identification Exercise	
Macroscreening Exercise	
Microscreening Exercise	
MODULE FOUR: MARKETING	77
Fine Biscuit Exercise	
Mini-Market Exercise	
Cooking Oil Exercise	
Market Survey Preparation Exercise	
Market Survey Exercise	
Market Survey Feedback Session	
Calendar Exercise	
MODULE FIVE: FINANCE	115
My Cost Categories Exercise	
Intelligent Pepper Sales Exercise	
Individual Profit/Loss Analysis Exercise	
MODULE SIX: ENDING SESSION	133
Putting It All Together Exercise	
Action Planning Exercise	

Introduction

BACKGROUND

CEFE (Competency-based Economies through Formation of Enterprises) is a set of training tools using action learning to develop and improve entrepreneurial and management skills. CEFE has enjoyed almost 30 years of growth and change, successfully adapting to different environments in more than 50 countries. Today, CEFE is one of the leading entrepreneurship development programs (EDPs) in the world.¹

Over the years, the CEFE training programs for non-literate participants have developed the following guidelines for facilitators and participants alike.

FACILITATORS SHOULD

1. Enjoy working in rural communities.
2. Have an open mind and willingness to learn on the job.
3. Be patient, especially with people who have limited education.
4. Be creative and imaginative, especially when producing class materials.
5. Be able to work well with others and in teams.
6. Be flexible, adaptable and spontaneous.

PARTICIPANTS SHOULD

1. Be interested in business ventures.
2. Have some experience in income generating activities.
3. Be highly motivated and open to new ideas.
4. Be able to spare at least five to six hours a day for the training program for nine days.

¹ As has been expressed by the participants in an international "CEFE Conference" held in South Africa in 1996 (representatives of main competitors were present during this occasion).

THE CEFE METHODOLOGY

The CEFE methodology systematically uses the following tools and methods:

1. The basic method is **action learning**. It requires participants to fully engage in all learning experiences during the training program; lectures are not allowed!
2. Participants should have sufficient time to **practice new skills**; if possible, several practice exercises should be provided for each new skill.
3. Facilitators should progressively introduce new topics and skills, allowing plenty of time for participants to absorb them; introducing too many new things too quickly overwhelms people and defeats learning.
4. Using reoccurring pictures and other visual clues, facilitators' link each session to the preceding to help participants navigate their way through the course content.
5. **Cross-modular activities** (e.g. connecting bookkeeping and numerical literacy) are used to help participants develop good habits in monitoring expenditures and income.
6. **Competitions and prizes** are used to trigger a healthy competitive spirit.
7. **Energizers** are used at a minimum and only applied where appropriate.
8. The CEFE methodology employs models and play money to illustrate basic business concepts.
9. Concentrate on the **family** as an entry point to the whole program by encouraging them to see the opportunities presented by the CEFE program.
10. The **PECs module (Personal Entrepreneurial Characteristics)** is used to help participants develop strategies such as information retrieval, goal setting and systematic planning, and to place more emphasis on developing participants' business and marketing skills (demand and supply mechanisms, etc.).

WHY DO CEFE WITH EA\$E MEMBERS?

The goal of the CEFE curriculum is to train EA\$E members to develop successful and sustainable businesses. Overall, participants will develop entrepreneurial competencies and elaborate a business plan. By the end of the training, EA\$E members will have:

- » Analyzed the constraints and demands of forming and operating a business.
- » Identified their best entrepreneurial skills and characteristics.
- » Developed their recordkeeping capacities.
- » Conducted a market survey for their businesses.
- » Polished and elaborated their business plans.

HOW TO USE THIS GUIDE

The guide comprises of six modules that correspond to the different steps of the CEFE training ladder for entrepreneurs:

1. Opening Session
2. Business Skills
3. Project Development
4. Marketing
5. Finance
6. Ending Session

Each module has a set of experiential exercises. Each exercise is presented in the form a technical sheet with detailed facilitation instructions. Each sheet will include a:

- » heading
- » facilitation process description
- » annexes

The facilitation process description section gives details on the session objective, estimated time, advance preparation, facilitation steps, possible modifications, cautions, hints and key learning points.

Objectives: A description of key results the facilitators should strive to achieve through the session activity.

Estimated Time: The average estimated time required to complete an activity. It can vary (longer or shorter) according to the experience of the facilitator, the duration of the workshop, the enthusiasm of the participants, etc.

Advance Preparation: List of materials, advance printing and human resources needed for the session.

Facilitation Steps: Guidance on how to facilitate the session. Each facilitator will conduct activities according to his or her own style, but in keeping with the spirit of the training and methodology. Facilitators are encouraged to be creative in order to make best use of the time available and the personality of the particular group.

The annex section includes tables, charts, and tools necessary for conducting an activity.



CEFE BUSINESS SKILLS TRAINING PROGRAM FOR EA\$E MEMBERS FACILITATOR GUIDE

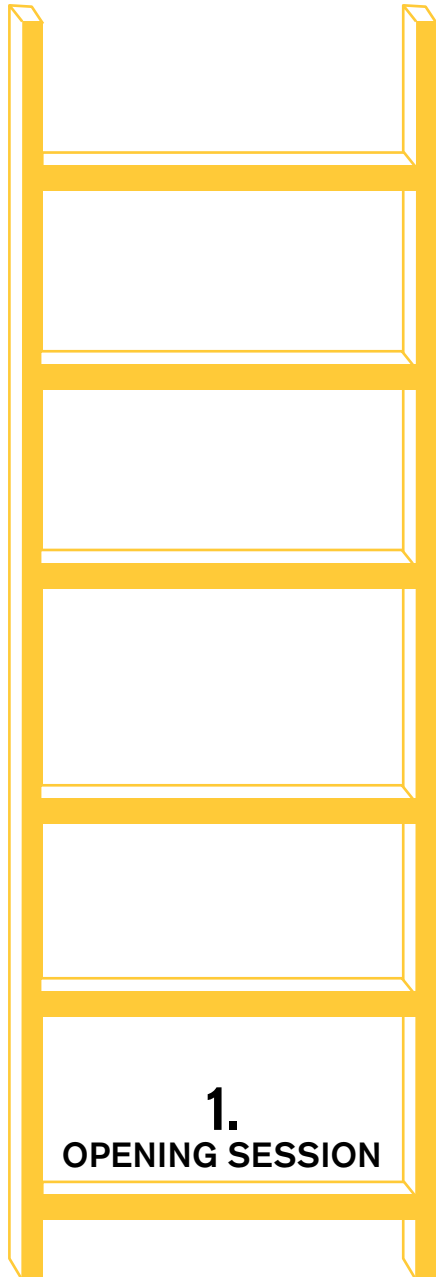




Photo Credit: Elizabeth Pender

Module One

OPENING SESSION



EXERCISES

- 1.1 Symbols and Nicknames
- 1.2 Yarn Coil
- 1.3 Administrative Detail

SYMBOLS & NICKNAMES



EXERCISE OBJECTIVE

By the end of the session participants will:

- » Be able to identify participants and facilitators by nicknames and symbols.
- » Relax and feel comfortable in the space.



Time: 30 minutes



ADVANCE PREPARATION

- » Two sets of symbol cards (see Annex 1)
- » Participant Score Chart (Annex 2)
- » Masking tape
- » One safety pin for every participant

FACILITATION STEPS

STEP 1: WELCOME

- » Welcome participants to the first day of the CEFE training and introduce the facilitator team. Make sure you and your co-facilitators share at least one piece of personal information such as number of children, likes, dislikes etc. with the participants.
- » Ask participants to remind the group the purpose of their time together and the commitment they have made. The answer you are looking for is:
 - They are gathered for the CEFE training to acquire a set of tools to develop and improve their entrepreneurial and management skills.
 - The training will take nine days to complete.
- » Tell participants that you will now conduct an activity to allow them to better get acquainted.

STEP 2: INTRODUCE NICKNAME AND SYMBOLS ACTIVITY

- » Ask participants if they can remember everybody's name.
 - If the answer is “no” ask them how they can best learn and remember each other's name before the end of the day. Once you have heard all the propositions, you can propose using nicknames and symbols to represent members of the group.
 - If the answer is “yes” simply introduce the nicknames and symbols activity as an opportunity to learn something new about fellow participants.
- » Tell participants that you will put a set of cards (Annex 1) in the middle of the room, on a table or on the floor depending on space and conditions. The cards are all different and represent items that they see in their everyday lives.
- » Ask the participants to choose a card that best represents them. This will be their symbol for the rest of the CEFE training. The facilitators should also choose a symbol from among those remaining.
- » Ask participants to introduce themselves by name and explain the reason they picked their symbol. (Why did you pick that symbol?)
- » Meanwhile, the co-facilitator should place a picture of the same symbol next to each participant's name on the Participant Score Chart (Annex 2) as shown below:

NAME	NICKNAME/ SYMBOL	DAY 1	DAY 2	DAY 3	DAY 4	DAY 5	DAY 6	DAY 7	DAY 8	TOTAL
Yeshe Buna	☆									

- » Once the introductions are over, ask participants to pin the cards to their clothing with a safety pin so that the card is visible to all participants.
- » Show participants the Participant Score Chart. Briefly explain that this is the chart that will be used throughout the training program to note down all the points earned by the participants during various exercises that will later make them eligible for prizes. This ongoing competition is meant to stimulate the participants' competitive spirits.
- » Thank the participants for their participation, and move on to the next session.

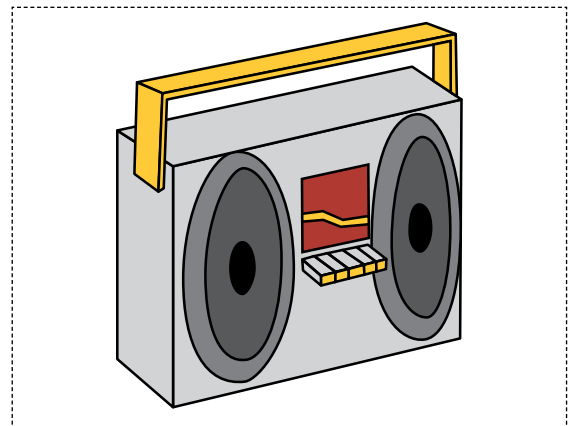
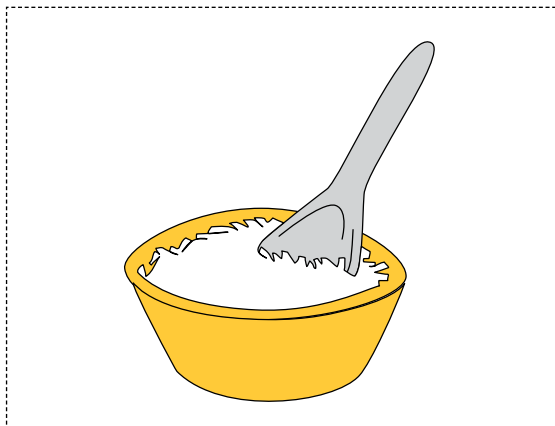
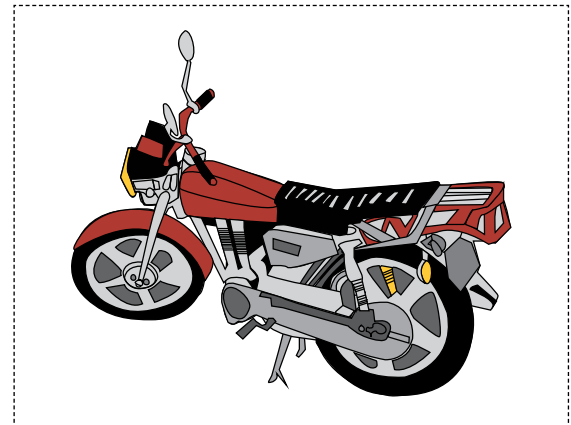
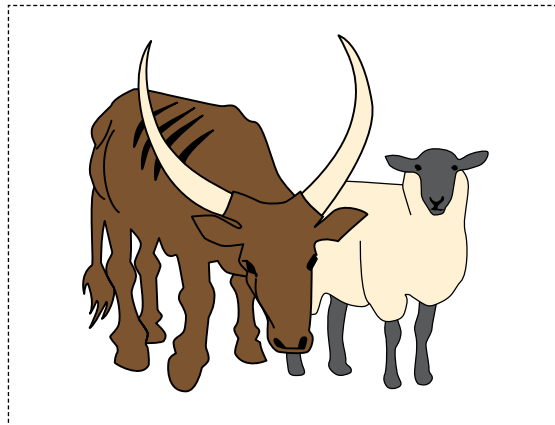
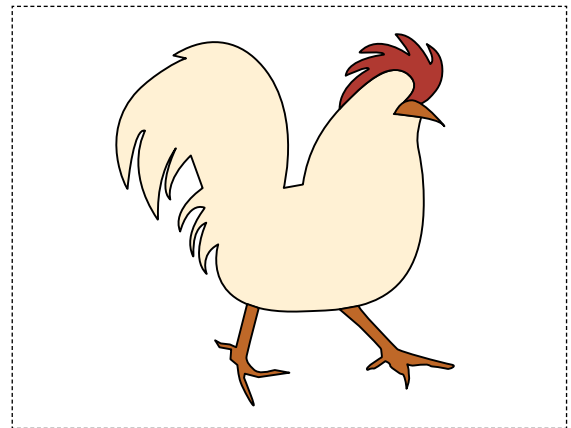
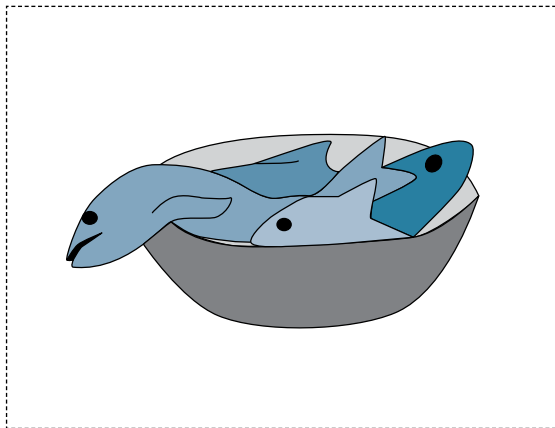
NOTE TO THE FACILITATOR

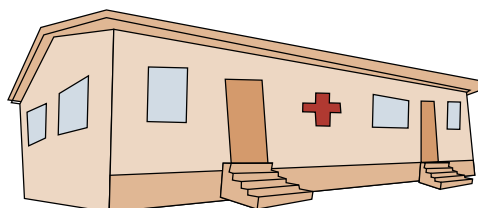
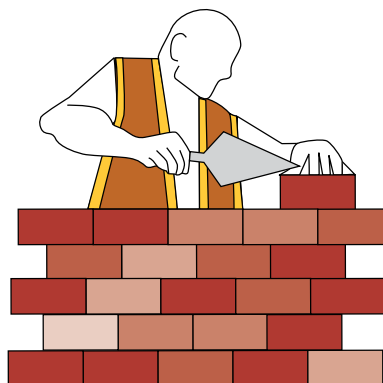
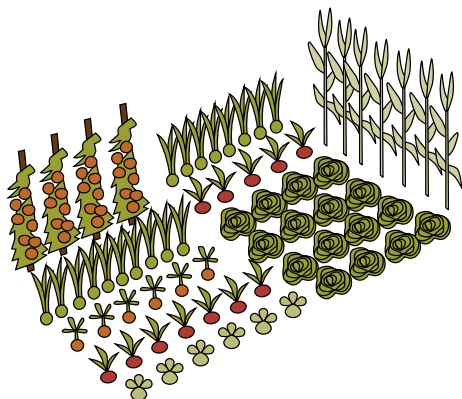
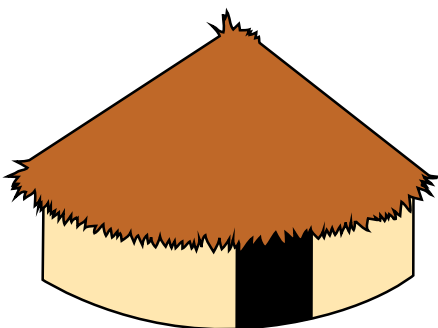
Tolerate some disorder during the selection of the symbols because it contributes to breaking the ice in the group. Encourage participants whose preferred symbols have already been chosen to embrace their second best choices among the remaining ones.

1 MODULE 1: OPENING SESSION

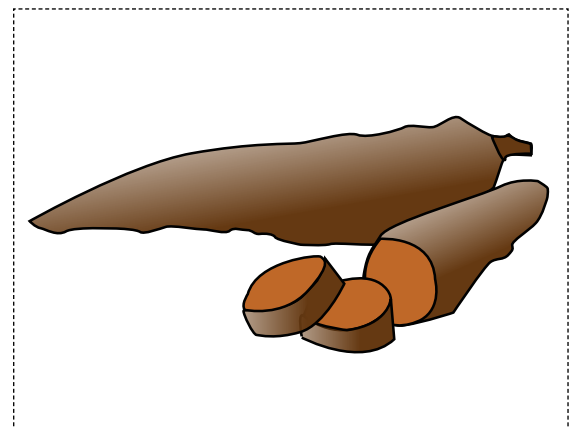
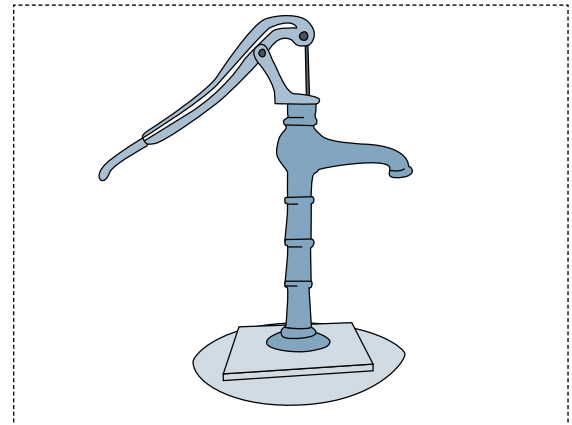
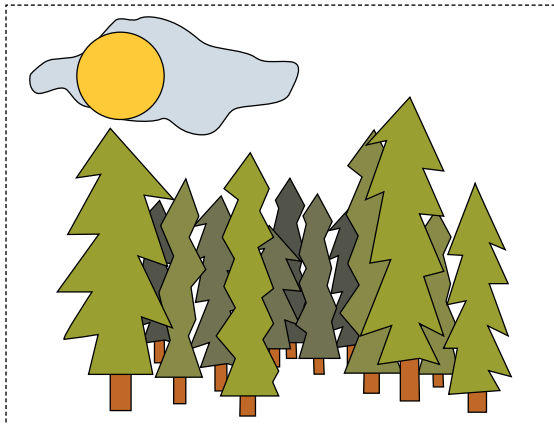
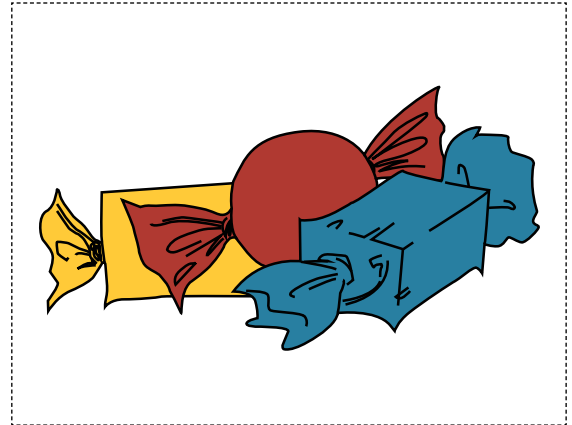
ANNEX 1: SYMBOL CARDS

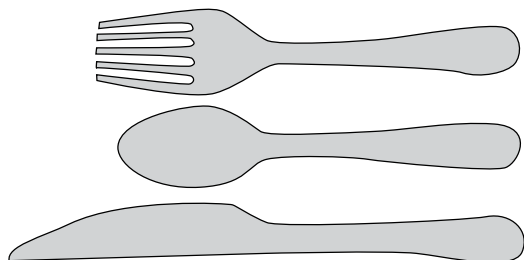
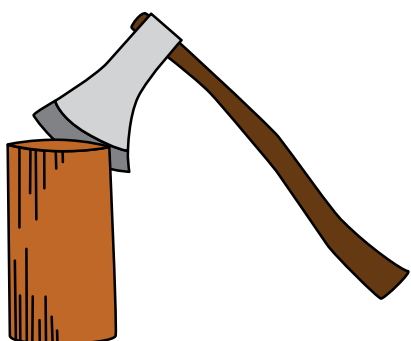
Note: You need to print two copies of the symbol cards—one for the participants and a second to be placed on the Participant Score Chart.



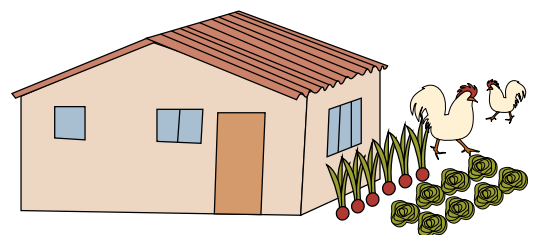
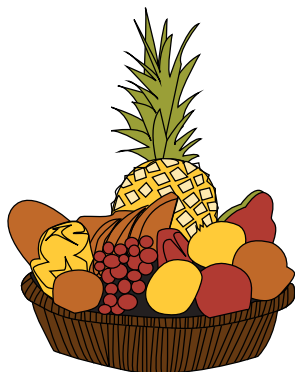
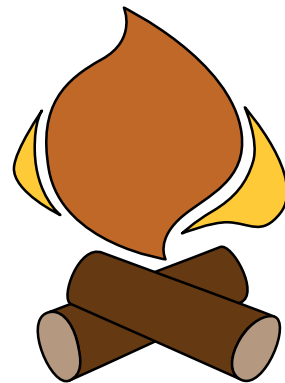
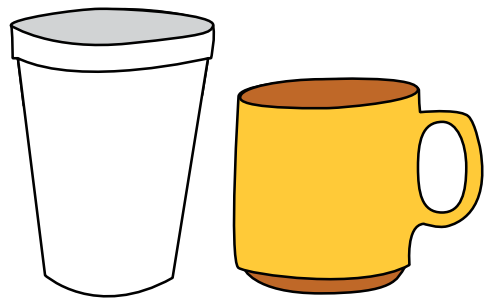


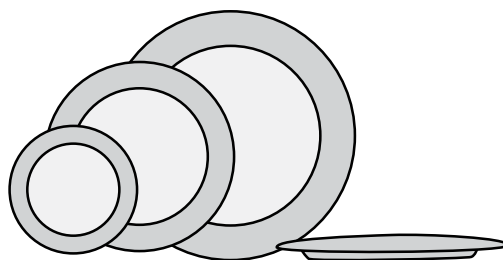
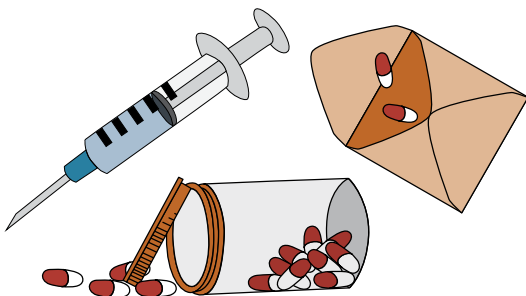
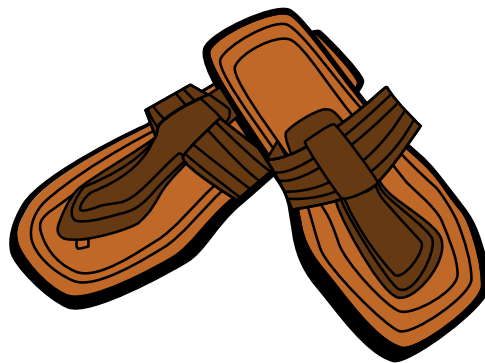
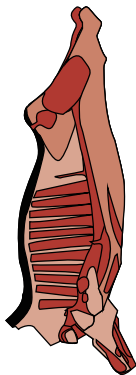
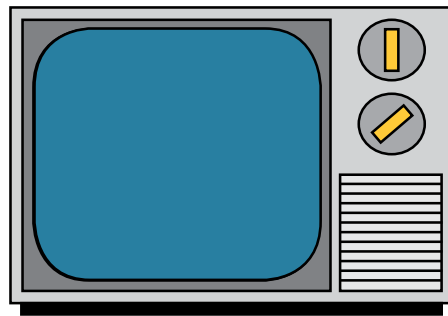
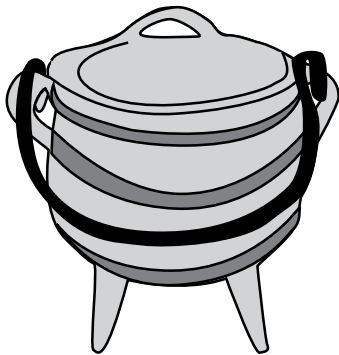
1 MODULE 1: OPENING SESSION



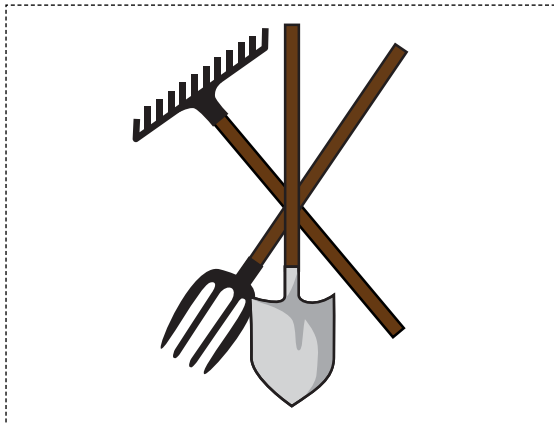
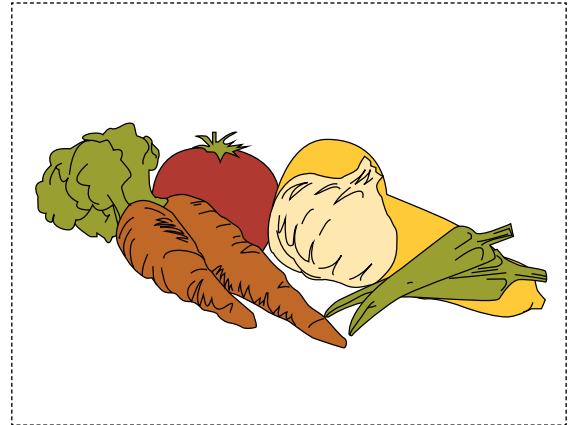
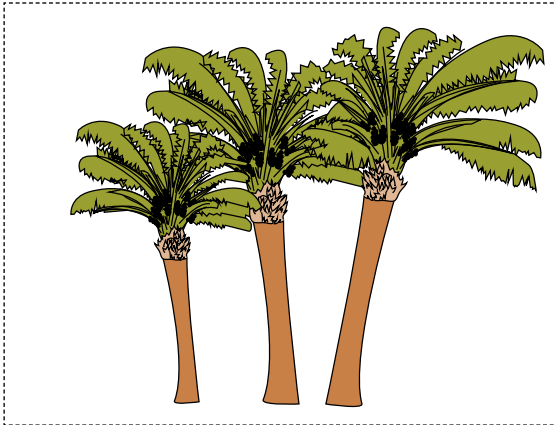


1 MODULE 1: OPENING SESSION





1 MODULE 1: OPENING SESSION





ANNEX 2: NAME CHART / PARTICIPANT SCORE CHART

Note: You need to print two copies of the symbol cards—one for the participants and a second to be placed on the Participant Score Chart.

TOTAL																		
DAY 8																		
DAY 7																		
DAY 6																		
DAY 5																		
DAY 4																		
DAY 3																		
DAY 2																		
DAY 1																		
NICKNAME/ SYMBOL																		
NAME																		

YARN COIL EXERCISE



EXERCISE OBJECTIVES

By the end of the session, participants will:

- » Build trust in the group process.
- » Understand that they are all interconnected and have many things in common.
- » Establish the building blocks for group cohesion.



Time: 2 hours



ADVANCE PREPARATION

- » A spool of yarn or a long cord of a bright color
- » Markers
- » Flip charts

FACILITATION STEPS

STEP 1: INTRODUCE YARN COIL ACTIVITY

- » Welcome participants to the Yarn Coil activity. Tell them that this activity will allow them to find out additional information about each other that they did not know before.
- » Invite all participants to sit with you in a circle. Show them the yarn coil.
- » The task is to wrap a bit of yarn around ones' index finger then toss the coil to someone sitting across in the circle. The recipient of the coil will then wrap the coil on the index finger then toss it to someone else sitting in the circle. The process continues until each participant has received the coil at least two times.
- » As participants wrap the yarn on their fingers, they are obliged to make a statement about themselves that no one in the group knows (a dream, an aspiration, a hope for the future, etc.) or a statement about what they hope to achieve in the CEFE training.

Note: The facilitator should demonstrate the activity by visibly twirling the coil round his/her index finger, making a statement and throwing the yarn to a member of the group. The participant receiving the yarn coil from you follows the same pattern. Ask everyone to hold the yarn thread tightly.

CAUTION

If some participants do not hold the yarn tightly, the web may be dropped or lost. Some participants may also have problems throwing and catching the yarn coil, or may move abruptly and thus disrupt the web.

STEP 2: PROCESSING THE ACTIVITY

Facilitate a discussion with leading questions:

POSSIBLE FACILITATION QUESTIONS

- » What does the yarn remind you off?
- » What happens when one person lets go of the yarn?
- » What happens when everyone pulls tightly on the yarn?
- » What does it symbolize? The answer you are looking for is that:
 - The yarn represents a network of interconnected people.
 - This network could also demonstrate possible lines of communication between participants and facilitators during the training, where they will have the opportunity to work together and learn from each other.
 - There is strength in collaboration. Change within their lives and their business is possible when they learn to work effectively with others.
- » Thank participants for their contribution and summarize key points.
- » Acknowledge that optimal learning takes place when the training atmosphere enables everyone to speak freely and exchange ideas at any time.
- » Make clear that as facilitators, your team is there to facilitate learning but not impose any particular idea or notion upon them.

Variation: Instead of sharing information about themselves, participants can be asked to share information about their greatest achievement in life, business aspirations, challenges to running a business, etc.

ADMINISTRATIVE DETAILS EXERCISE



EXERCISE OBJECTIVE

By the end of the session participants will:

- » Have an overall understanding of program objectives.
- » Be familiar with the administrative details of the training program.
- » Develop a set of Do's and Don'ts that will be applied throughout the training program.
- » Openly discuss all logistical questions regarding the training program.



Time: 25 minutes



ADVANCE PREPARATION

- » Illustrations to represent different administrative issues to be discussed (Annex 1):
 - A clock to symbolize starting and ending times
 - A tea cup to symbolize tea breaks
 - A plate of food to symbolize lunch breaks
 - Smileys to symbolize likes and dislikes
- » Cash box (made of cardboard)
- » Hand bell (or any other instrument) to call participants back into the training room

FACILITATION STEPS

STEP 1: SETTING RULES AND REGULATIONS

- » Ask participants to sit in a large semicircle.
- » Tell them that you will together work to identify a set of rules that will help the group conduct its training in a smooth and orderly manner. Participants will need to honor and abide by these rules.

TRAINING SCHEDULE

- » Show participants the symbol of the clock. Ask them what it is and tell them that the group will now establish parameters for the training schedule.
- » Ask participants the most convenient times to start and end the training. Tell participants they can choose to do full day trainings that will last a total of nine days or do half-day trainings over the course of 18 days.

- » Make sure you facilitate an open discussion to hear the desires and concerns of all participants. It is important that you gain the consensus of all participants before you move forward, as this will impact attendance.
- » Set a timetable for the training with clear start and end times.

LATECOMERS

- » Ask participants for their opinions about people who come late to meetings. What kind of inconvenience does this cause for those on time?
- » What do participants think should happen to members of the group who come late? Guide the discussion to encourage levying fines for latecomers.
- » Then ask participants what fine should be levied for arriving late. Facilitate a discussion until there is an agreed upon amount. Make sure the amount is reasonable.
- » Once the group is in agreement, ask participants to appoint two persons as cashiers. Let the cashiers know that facilitators will help collect and record fines. Emphasize that fines must be paid immediately when latecomers arrive.
- » Tell participants that they will decide collectively how to use the collected money.

TEA AND LUNCH BREAK

- » Time will be set aside for a tea and lunch break every day. Show participants the image of the plate of food and tea cup and tell them it symbolizes tea and lunch break.
- » Facilitate a discussion to decide what time tea and lunch break will be served every day. Designate two volunteers (for each day) who will be responsible for ensuring breaks are prepared and served on time.

ASSIGNING A SPOKESPERSON

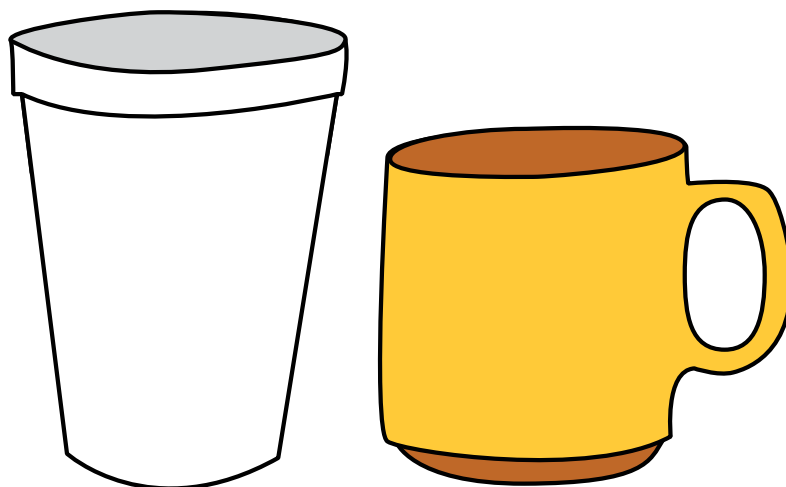
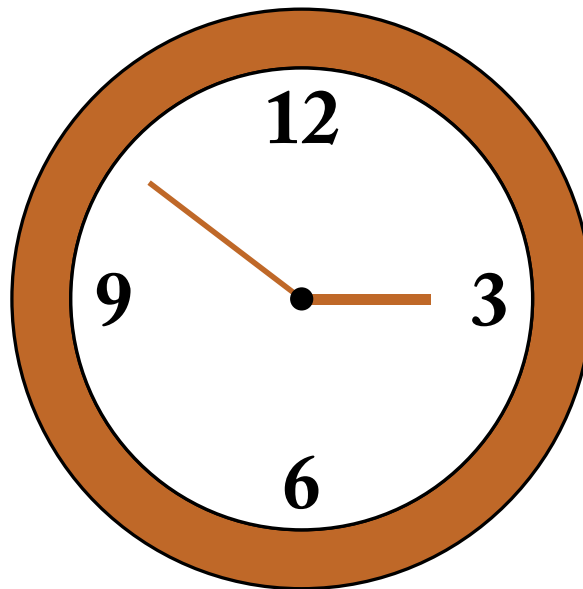
- » Tell participants that the group will select a spokesperson at the end of the day to present a five-minute summary of the session at the start of the next meeting.

STEP 2: SUMMARY AND CONCLUSION

- » Summarize all the decisions and agreements that have been made so far.
- » Ask participants if everything is clear. Encourage them to ask questions if something is not clear or if anyone disagrees.

TIP: Take time to explain fully all administrative details. Facilitators will have problems if they do not set forth clear rules and generate a consensus among participants.

ANNEX 1: ADMINISTRATIVE ISSUES ILLUSTRATIONS



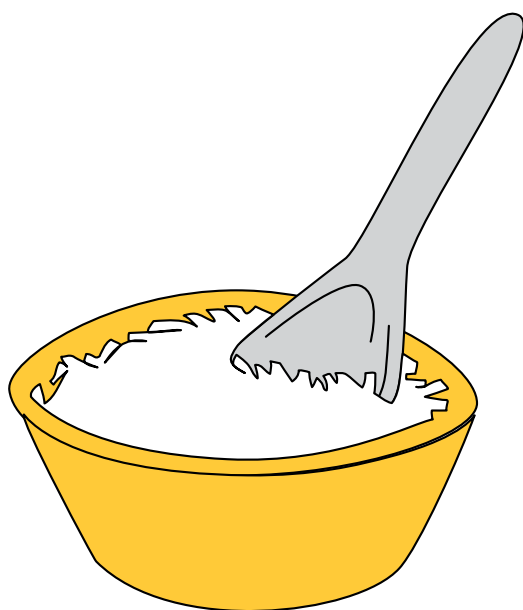
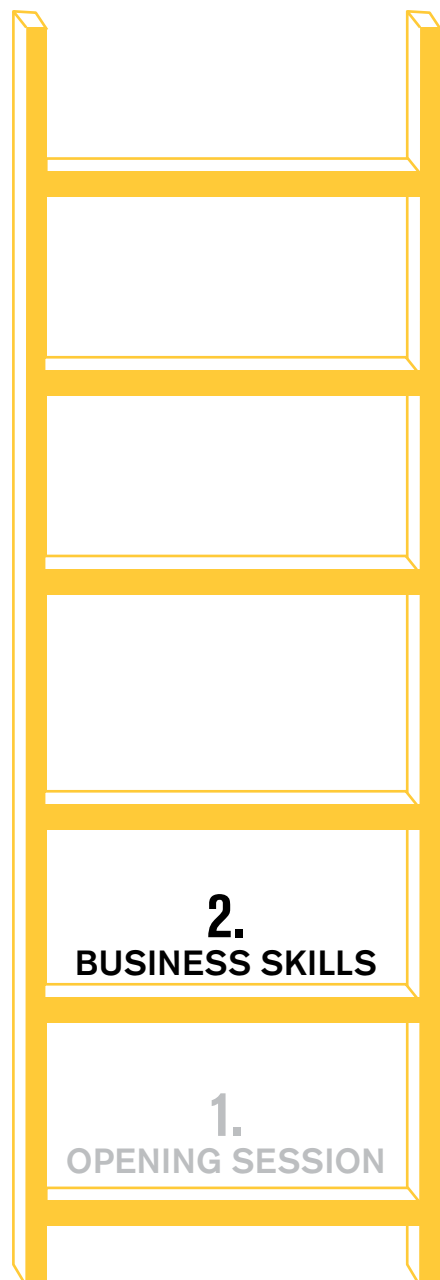




Photo Credit: Elly Perkins

Module Two

BUSINESS SKILLS



EXERCISES

- 2.1 Skills Detector
- 2.2 Bracelet Production
- 2.3 Family Council
- 2.4 My People
- 2.5 Simple Bookkeeping

SKILLS DETECTOR EXERCISE



EXERCISE OBJECTIVE

By the end of the session participants will:

- » Identify key skills and resources necessary in setting up a business.
- » Identify their personal strengths.
- » Understand the need to exploit personal strengths when setting up a business.



Time: 135 minutes



ADVANCE PREPARATION

- » Symbols cards (Annex 1)
- » Skills detector chart (Annex 2)
- » Construction paper
- » Flip chart
- » Markers

FACILITATION STEPS

STEP 1: INTRODUCE AND CONDUCT THE ACTIVITY

- » Ask participants to sit in the usual semicircle arrangement.
- » Tell participants that you will be conducting an activity to help them identify key resources and skills helpful in setting up a business.
- » Refer to the Strengths Detector Chart (Annex 1) reproduced on a flip chart (or on the wall) and tell participants that each numbered card contains an image of a resource or skill.
- » Participants will select a numbered card and explain what the image represents and why it is useful in starting and running a business. Demonstrate if necessary.
- » Go around the room until all the cards are turned around and every participant has had a chance to speak.
- » Ask participants if they can think of any addition skills or resources necessary in running a business. Post them up in the boxes labeled “others”.

- » Ask participants if they have any comments or questions regarding the activity. Address all the concerns and tell participants that you will now move to the second part of the activity where they will reflect on their own skills and resources.

STEP 2: APPLYING THE SKILLS DETECTOR

- » Ask participants to get into groups of five and give them a set of Skills Detector symbol cards. Ask each group to identify a business idea and to select the resources and skills necessary (from the symbol cards) for starting and running the business. Participants should be able to justify each choice. They should make note of any additional skills or resources necessary that are not reflected in the symbol cards.
- » Ask participants to group certain skills under common themes such as:
 - Practical/Manual skills
 - Resources (financial, human relations, etc.)
 - Behavioral traits
 - Intellectual skills
 - Social and other professional skills
- » Ask participants to share the business they selected along with the skills and resources. For each selected card ask them to justify their choice.

STEP 3: PROCESSING

Below are sample questions to help you facilitate the session. Do not attempt to get through all of the questions, but select a few to help you guide the discussion and draw out key messages.

POSSIBLE FACILITATION QUESTIONS

- » What does this exercise reveal? Did anything surprise you? Why?
- » Why is it necessary to identify skills and resources (strengths) before starting a business?
- » What is the opposite of strengths?
- » What should be done to mitigate weaknesses that could compromise business success?
 - For example, if illiteracy is an obstacle, then evening classes for basic literacy can correct this deficiency. Tell them that participating in this training is another way of building the necessary skills for starting a business.

Tell participants that you will now take some time for self-assessment and identification of individual strengths.

STEP 4: IDENTIFYING INDIVIDUAL STRENGTHS

- » Ask participants to get into groups of two and give each pair a set of symbol cards (Annex 2).
- » Ask each pair to discuss and carefully select the cards that best represent their individual strengths. Facilitators will give additional cards if there is need for duplicate cards.
- » For each strength card selected, the participant should explain to his/her partner why the card is selected and when possible give examples from a personal experience.
- » Encourage participants to push each other and ask hard questions, particularly since everyone is from the same village and knows each other.
- » Once the activity is complete, ask for volunteers to share what the experience was like for them.

STEP 5: SUMMARIZE AND CONCLUDE

- » Ask participants what they have learned from the entire activity.
- » Facilitate a discussion and summarize key points. Make sure that you emphasize the importance of identifying individual strengths before venturing into business start-up. If an individual does not already possess a skill, it is possible to acquire it through trainings.

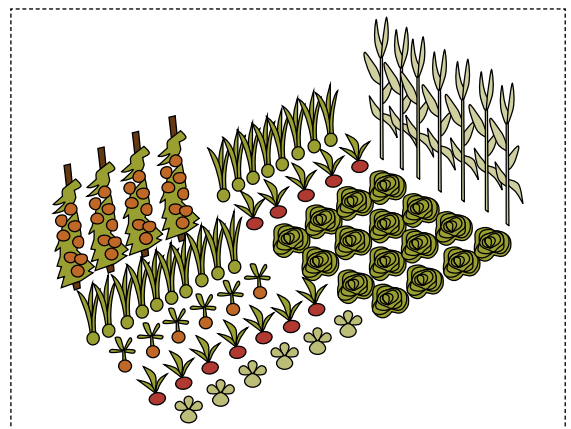
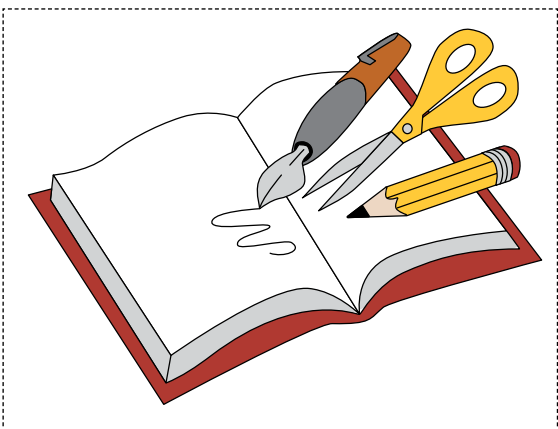
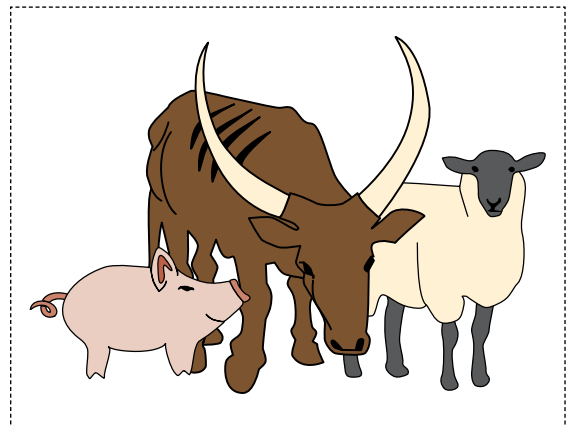
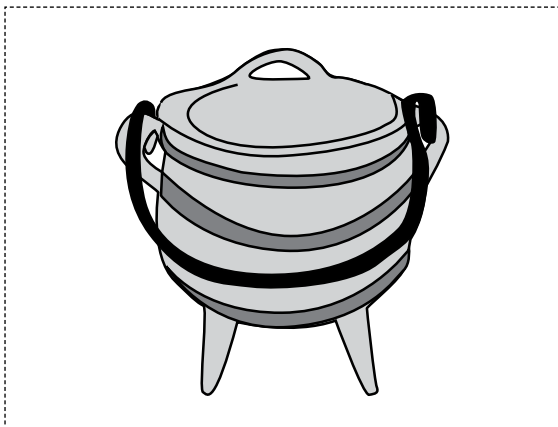
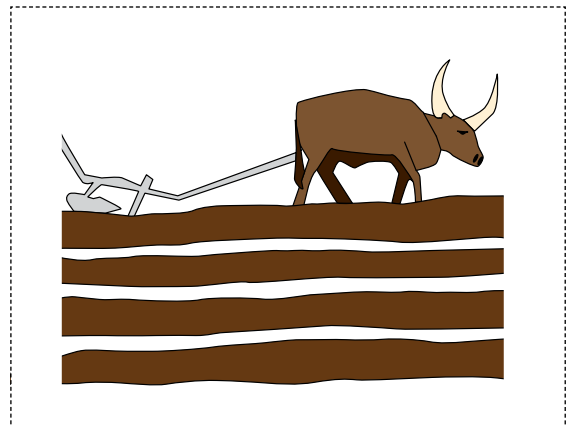
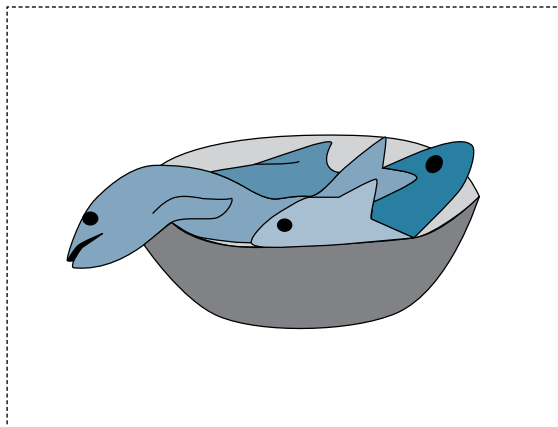
ANNEX 1: SKILLS DETECTOR CHART

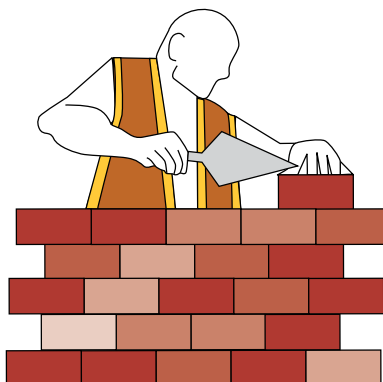
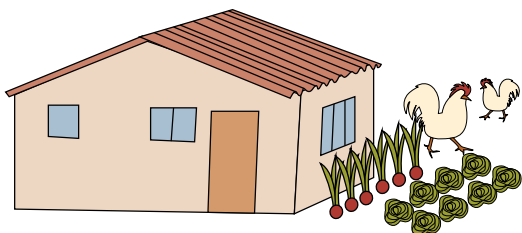
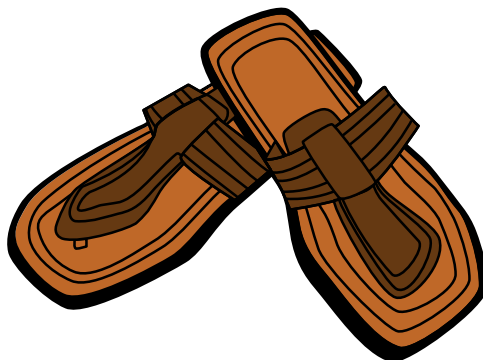
Each number represents a skill or resources from Annex 2. A card will be turned when chosen by a participant.

“Others” is space the facilitator to add skills or resources that are not represented in the symbol cards.

1	2	3	4	5
6	7	8	9	10
11	12	OTHERS	OTHERS	OTHERS
OTHERS	OTHERS	OTHERS	OTHERS	OTHERS

ANNEX 2: SYMBOL CARDS





BRACELET PRODUCTION EXERCISE



EXERCISE OBJECTIVE

By the end of the session participants will:

- » Identify key entrepreneurial characteristics useful in business.
- » Consider and acknowledge the importance of maintaining standards of quality, efficiency and accuracy in business.
- » Practice personal entrepreneurial characteristics (PECs).
- » Learn the importance of goal setting, systematic planning and monitoring when setting up a business.

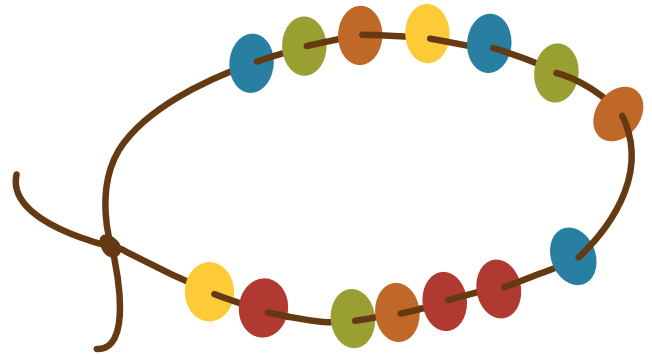


Time: 150 minutes



ADVANCE PREPARATION

- » Instruction Chart (Annex 1)
- » Commitment Form (Annex 2)
- » Performance Chart (Annex 3)
- » Sample bracelet (made with a specific number of beads).
- » Determine a selling price and profit margin per bracelet
- » List of participants (to record transactions during the exercise)
- » Scissors
- » Needles
- » Cotton thread
- » Nylon or good quality thread
- » Beads in small bags (each bag with the required number of beads (and a few extra) to make a bracelet



Note: Make sure that the bead holes are not so big so that threading is too easy.

IMPORTANT

You need to fix selling and buying prices of a bracelet prior to the session in accordance with the financial capacity of the participants and actual market prices for beads, needles and threads.

FACILITATION STEPS

STEP 1: PREPARE THE ACTIVITY SPACE

Prior to the start of the sessions make sure that:

- » There is enough working space available for each participant.
- » The following materials are displayed with prices to indicate their value:
 - beads of two or three colors
 - cotton thread
 - several pairs of scissors (easily accessible)
- » In a less obvious place facilitators should have the following items for sale:
 - a set of needles
 - nylon threads

STEP 2: INTRODUCE THE ACTIVITY

- » Ask participants to be seated facing the flip chart with the bracelet production exercise Instruction Chart (Annex 1).
- » Ask participants to think about the skill detector activity and to identify key strengths necessary for someone starting a bracelet business. Facilitate a discussion until key skills and resources are identified.
- » Ask them if they would like to put some of these characteristics and skills into practice. Tell them that you will now conduct an activity that will allow them to become entrepreneurs and put into practice the key characteristics just discussed.
- » Ask if anyone in the room has ever made a necklace (of flowers, of beads). Tell those who have never made a bracelet that everyone will learn together how to make the specific bracelet for this exercise.
- » Tell participants that this activity will last 2.5 hours. During this time, they will (1) produce bracelets and then (2) sell the bracelets they have produced.

Note: Show enthusiasm for the activity in order to encourage the same among participants who may, for the first time, be producing and selling a product.

- » Tell participants that you will be passing around a sample bracelet. Once the bracelet has gone around the room, pin it on the board where everyone can see.
- » Tell participants that there is demand for this product—provided the product meets certain specifications looked for by buyers.

2 MODULE 2: BUSINESS SKILLS

- » Tell them to listen carefully to the instructions, as you will repeat them only once.
- » Using pictures on the instruction board (see Annex 1) and demonstrating with the beads and threads, walk participants through the process of making a bracelet.
- » Ask participants if they have any questions and make necessary clarifications.
- » Indicate the area where “shops” with raw materials for the bracelet are located. Make sure participants see the prices of the materials.
- » Share with participants the standard retail price of a finished bracelet and the expected profit margin per bracelet.
- » Select two participants to act as buyers who will buy all the bracelets the group produces, provided they meet the specifications.

TIP: The two buyers should sit separately from the group.

- » Tell participants that buyers demand quality products. Poor quality bracelets will be rejected. Poor quality bracelets may be purchased for their materials only at a lower price.
- » Ask if there are any questions. Tell participants that once the bracelet production has begun, questions will only be answered on an individual basis and not in a group.

STEP 3: TRIAL BRACELET PRODUCTION



Time: 15 minutes

- » Ask the participants whether they wish to do a trial bracelet production.
- » If yes, participants must purchase the necessary raw materials from the “shops” selling beads and the cotton thread. Scissors and rulers are available “free of charge.” The facilitators control the needles and the nylon thread.

Note: the goal of the trial production is to get participants to think about all the things they need to have to produce quality bracelets.

- » Participants will be given 15 minutes to produce their bracelets. Once they have produced their bracelet, they can take their sample product to one of the buyers to seek an order and a commitment of purchase.
- » Buyers can decide to purchase the product as is or ask for small modification before placing a final order.
- » At this point, sellers can proceed with the order (see Annex 2 for the commitment form) and produce the agreed number of bracelets or decide to abandon the business.

- » If they choose to abandon the business, they can return the materials and get their money refunded, provided all the materials are returned as purchased (no missing beads).
- » If they want to produce more than one bracelet, they can buy more raw materials at the end of the trial production phase.

TIP: During the trial production phase, let the participants take control of their activities. Facilitators should be available in case the participants need information. However, facilitators should not volunteer information.

STEP 4: BRACELET PRODUCTION



Time: 30 minutes

- » Those who proceed to become bracelet producers have 30 minutes to make the bracelets which they have committed to deliver to the buyers.
- » Make sure that all participants have made commitments with one of the two buyers. Both buyers and sellers should record commitments for future reference.
- » Tell participants that they can now start the production of their bracelets. If they need any additional material, they can buy what they need from the “stores” in the room.

Note: Needles and nylon are available from facilitators only by request. If no participant asks for needles or nylon thread during the trial phase, facilitators can demand for better quality bracelets. It is up to the bracelet producers to seek for ways to improve the quality of the bracelets. The bracelet producer that asks for materials to improve the quality of the bracelet will be told the availability of the nylon thread.

STEP 6: BRACELET SALES

- » Once the production phase is completed, participants must sell their products to the designated buyers.
- » Remind participants that the buyers can reject the product if it does not meet agreed-upon specifications and quality.

Note: If buyers reject a product, they must make their reasons clear to the seller (e.g., quality, number of beads, etc.).

- » Once a transaction is complete, the results are recorded on the Performance Chart (Annex 3) and made clearly visible to the whole group.

STEP 7: PROCESSING THE OUTCOMES OF THE EXERCISE

- » Thank participants for the enthusiasm and commitment they have demonstrated.
- » Tell them that you will now process the outcomes of the activity. Facilitate a discussion asking the following questions.
- » Do not attempt to get through all of the questions, but select a few to help you guide the discussion and draw out key messages.

POSSIBLE FACILITATION QUESTIONS

GENERAL

- » What was the experience like for you?
- » How do you feel about the outcome you have achieved (happy, proud, frustrated, angry, insecure, etc)? Why?
- » Who was able to make a profit? Who lost money?
- » For those who lost money, what happened?
- » Who had a product that was rejected? What were the key reasons for the product being rejected?

PRODUCT QUALITY

- » Why were some participants able to meet their commitments, while others were not? Was it the lack of skills, poor planning, cheap materials, etc.? The point you want to make (if valid) is that the successful necklace manufacturers actively asked questions, sought information and looked for opportunities to improve their product. They went beyond what they found in the marketplace and searched out needles and better quality thread. Information is a key entrepreneurial skill!

COST OF PRODUCTION

- » Ask participants who purchased needles and nylon thread? What was the additional cost?
- » At what price did they sell the improved necklaces? Did the additional investment pay off?
- » Was there a way to spread out some of the overhead costs? The answer you are looking for is that the needles could have been purchased by a group of bracelet makers to minimize cost, or once a person finished using the needle could have sold it to someone else for a lower price, thereby recovering some overhead cost.

UNEXPECTED OUTCOMES

- » Did anyone come up with a creative solution to efficient bracelet production? Were middlemen/women created in this market? For example, did the people who opted out from

CEFE BUSINESS SKILLS TRAINING PROGRAM FOR EA\$E MEMBERS FACILITATOR GUIDE



making the necklaces continue to participate by buying needles and the nylon threads in bulk to resell at a profit?

- » Did anyone try to sell their labor to necklace manufacturers? Did they make money? What lessons can be learned from this initiative? The point you want to make is that businesses can be built around services as well as production. An entrepreneur can create a business supplying raw material to existing businesses, for example.
- » If given a chance to redo the exercise, what would participants do differently? You should spend the most time on this question helping participants come up with specific solutions.

PERSONAL ENTREPRENEURIAL CHARACTERISTICS

- » What entrepreneurial characteristics were exhibited by various participants? Facilitate a discussion and make sure you are able to touch on the following characteristics:

ENTREPRENEURIAL CHARACTERISTICS	EXAMPLE
SEEKS INFORMATION	» seeking information about needles or nylon thread » informed about buyers' standards and quality control
EMBRACES OPPORTUNITY	» buying a needle or nylon thread » seeking more effective methods or conditions (making the necklaces outside the training hall where the lighting conditions may be better, etc.)
SHOWS PERSISTENCE	» convincing buyers to secure deals
DEMANDS QUALITY AND EFFICIENCY	» necklaces were sold because standards were maintained
SETS GOALS	» by securing commitments from buyers
PLANS SYSTEMATICALLY	» arranging the beads on the working surface » copying the sample » clocking production time



KEY LESSONS

1. Discuss the tension between quality and quantity and its effect on the bottom line.
2. Encourage participants to address the importance of goal setting in real-life situations?

ANNEX 1: BRACELET PRODUCTION INSTRUCTION CHART

PRODUCT: Bracelet

MATERIALS

1. Beads of two or three sizes
(enough in one container to make one necklace)
2. Thread
3. Container
4. Scissors (available in the training room)

**POSITION ONE SAMPLE
ON THE BOARD**

SPECIFICATIONS

Bracelets should:

- » be tied and cut neatly
- » be durable
- » be colorful (two or three colors)
- » have at least _____ beads (you need to specify based on sample bracelet)

INDICATE PURCHASE PRICE

INDICATE SELLING PRICE

PHASES OF OPERATION

- | | |
|--|------------|
| 1. Trial production (survey materials, ask questions, procure materials, state commitment) | 15 minutes |
| 2. Actual Production | 30 minutes |
| 3. Sales | 15 minutes |

ANNEX 2: COMMITMENT FORM ISSUED BY THE BUYER

Name: _____

Commitment for: _____

Quantity received: _____

Quantity accepted: _____

Sales: _____

Buyer's Signature: _____

Seller's Signature: _____

[illegible]

FAMILY COUNCIL MEETING EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Explore the role that their families play in their business ventures.
- » Understand the potential opportunity and threat that family members can bring to a business venture.
- » Learn strategies for dealing with competing needs of family members and a business.



Time: 120 minutes



ADVANCE PREPARATION

- » Print instruction sheets (Annex 1–6)
- » Flip chart
- » Markers
- » Small money bag or cash box

FACILITATION STEPS

STEP 1: INTRODUCE ACTIVITY

- » Welcome participants to a new activity. Tell them that the purpose of this activity is to assess the role that families play in individual businesses.
- » Ask participants to raise their hands if members of their family help them with their businesses or are involved in any way?
- » Ask for a few volunteers to explain how members of their family are involved in their businesses. Thank the volunteers for sharing their stories.
- » Explain to participants that they now will role-play a family council meeting where Esther will raise a few issues she has been experiencing with her business.
- » Select five participants who will be assigned specific roles as members of Esther's family. The rest of the participants will be observers who later can advise Esther on her situation.

2

MODULE 2: BUSINESS SKILLS

TIP 1: Carefully preselect actors and assign roles according to their age and interests, so that they act as realistically as possible.

TIP 2: Avoid choosing players related to one another.

- » Ask the five participants to go outside the room or away from the activity area where they can be briefed about their roles.
- » The rest of the participants will listen to Esther's story (Annex 1). Later in the activity, they will be able to participate in the discussion as members of the extended family.

STEP 2: BRIEF ACTORS

- » Explain Esther's situation to the five actors and assign them their roles using the instruction cards at the end of the chapter (Annex 2-6) and ask them to practice their roles as per the instructions provided.
 - Remind actors that Esther is upset and all three should reflect her tension and anxiety. The actor playing her husband should convey that he feels a sense of entitlement to the money because he has loaned it to Esther and he is the head of the household.
 - Remind the chairperson that she too is angry at Esther for failing to reimburse the group for a third month now.
 - Remind the politician that he is expecting to get services for free from Esther and her husband has already agreed to it anyway!
- » When ready, ask each person to pin their "identity" cards to their clothing so their roles are apparent to all participants.

STEP 3: CONDUCT ROLE PLAY

- » Tell participants remaining in the activity room that Esther, her husband and her sister-in-law will role-play a scene in which Esther confronts the other two about missing money.
- » Make sure that the "stage" is set up with chairs for the first three actors. If possible, display the money bag.
- » Ask the actors to begin the role play.
- » When you feel like the situation is about to be resolved, or when the husband gains the upper hand, send the EA\$E chairperson into the room to demand for the loan repayment.
- » To add to the tension, send in the politician into the room to make his request for the free use of the restaurant for political rallies.

- » Stop the role play once the following important points have emerged:
 - Both the husband and sister in-law have taken money from the money bag without asking for permission.
 - The husband has made it clear that he is the head of the household and has the right to his wife's money.
 - There are no established norms for family members' involvement in the business.
 - Esther has no clear and regular financial monitoring system.
 - Esther is being pressured to give money in all directions and is unable to meet her loan obligations.

STEP 4: INVITE THE EXTENDED FAMILY TO JOIN THE CONVERSATION

- » Ask the audience, or the rest of the participants, to imagine that they are members of Esther's extended family. What advice would they give Esther, her husband and her sister-in-law?
- » What would they say to the EA\$E chairperson and the politician?
- » Encourage a free-flowing discussion until most participants have had the opportunity to express their opinions.

Note: It is not necessary for the family council to arrive at a unanimous decision.

STEP 5: ANALYZING THE ROLE PLAY

- » Thank participants for their lively discussion and tell them it's time to reflect on the key lessons of the activity.
- » Below are sample questions to help you facilitate the session. Do not attempt to get through all of the questions, but select a few to help you guide the discussion and draw out key messages.

POSSIBLE FACILITATION QUESTIONS

GENERAL

- » What do you think about the role play you just witnessed?
- » How realistic was it?

2

MODULE 2: BUSINESS SKILLS

KEY PROBLEMS

- » What were some key mistakes committed by Esther?
- » What happened to her as a result of these mistakes?
- » What were some of her husband's mistakes? What about her sister-in-law?
- » How could these problems have been prevented?

BEYOND ESTHER

- » Have you witnessed similar or different problems that women experience when they set up businesses? You could highlight issues such as restrictions on women's ability to travel, handle cash, and so on; the triple burden of household, child care and production work, etc.
- » How could women prepare and overcome such pressures?

STEP 6: CONCLUSION AND KEY LESSONS

Ask participants to summarize the key lessons gleaned from this role play? Make sure you touch on the following:

INVOLVEMENT OF FAMILY MEMBERS IN BUSINESS

- » It is important that family members all realize that business requires mobility and control.
- » It is sometimes necessary to mobilize family to help with household work to allow you to run a successful business.
- » If members of the family are involved in the business, they all must understand and respect their specific roles and responsibilities.
- » Maintain a separate account and cash box for all business related expenses.
- » Account for all business expenses at the end of every day.

INVOLVEMENT OF THE FINANCING INSTITUTION

- » Make sure you make loan repayments a priority. If you are late on payments, you may not get future loans when needed.
- » Should repayment become a problem, discuss the situation openly with family and the EA\$E group.

OTHER INFLUENCING FACTORS

- » Know your environment.
- » Don't mix business and friendship.

Encourage participants to keep thinking about what they discussed and how they will be able to apply some of the lessons learned in their own lives.

ANNEX 1: FAMILY COUNCIL INSTRUCTION SHEET

MEMBERS OF THE ENLARGED FAMILY

Esther owns a small restaurant. You are all members of Esther's enlarged family. Currently Esther faces severe problems with her business. It's not yet clear if she can overcome these problems. Nevertheless, one thing is crystal clear: Esther's problems are also your problems, because all of you depend one way or another on the income generated through her little restaurant. Esther is going to ask you to take part in a family council meeting to obtain your ideas and opinions regarding a particular situation.

Remember: This family council is extremely important for the future of the whole family.

ATTENTION

Before this family council takes place, you will observe a scene during which Esther will meet her husband and her younger sister-in-law, both of whom work in the little restaurant. Don't interfere, but just observe! You will want remember what is said during the meeting in order to perform effectively your own role afterwards.

ANNEX 2: FAMILY COUNCIL INSTRUCTION SHEET

ESTHER

You are the owner-manager of a small restaurant in your village not very far away from this training site.

Your business started a year ago with a small loan of () from the EA\$E group and some financial help from your husband of ().

Your husband works in the restaurant directing the catering service. From time to time, he delivers food in carton boxes for special occasions such as marriages, funerals, large meetings, and so on. During the early stage of the business, you offered your husband a salary, which he declined. As the head of the family, he thought he could not accept salary from his wife, and you agreed to this because, after all, he is your husband.

Your younger sister-in-law also works in your business as waitress and cashier. You appreciate her help, since you are busy in the kitchen.

During the first 10 months, the business did not generate a lot of revenue. Hence you asked the group to extend the loan repayment period. The group agreed to your request, and for the last three months you have not paid back the loan or interest. However, you plan to make your payments at tomorrow's EA\$E meeting.

This morning while counting your monthly earning in order to repay the loan, you found out that a substantial amount of money was missing in the cash box. You know that only your husband and your younger sister-in-law has access to the cash box!

After serving your clients, you sit down with your husband and sister-in-law—as usual—to have your own lunch. You are **very angry** and extremely impatient to know when and why they took money from your cash box. You feel strongly that they should have informed you if they were in need of money.

ANNEX 3: FAMILY COUNCIL INSTRUCTION SHEET

ESTHER'S HUSBAND

You helped your wife, Esther, start her restaurant business almost one year ago with a personal loan of _____. You also direct the restaurant's catering service (marriages, funerals, meetings, etc.), deliver food, and take care of the cash box

When she started the business, Esther offered you a fixed salary, but you refused because you thought you could not accept money from your wife. Besides, you always had access to the cash box if you ever needed a short-term loan. You never mentioned taking money from the cash box because you felt your wife would never refuse, particularly since you take no salary and you co-financed the business. And when all is said and done, you are the head of the house and she is your wife.

Recently, during the last two months, the restaurant has prospered, and you are sure the business is turning a profit. You have therefore been taking more substantial amounts from the cash box in order to support your youngest son, who has just started his studies in _____ (select a distant location). According to your future plans, this particular son will become a government employee with a good salary, and in the long run he will help support the family.

You have not mentioned a word to Esther regarding all these financial matters, but this morning you saw her checking the cash box, and now she looks upset. You are quite sure that she is going to ask some provoking questions. You have just washed your hands, and are now going to join her, and your younger sister, for lunch.

ANNEX 4: FAMILY COUNCIL INSTRUCTION SHEET

ESTHER'S YOUNGER SISTER-IN-LAW OF ESTHER

(Waitress and cashier in the restaurant)

You are Esther's younger sister-in-law. Esther started her business almost one year ago with a loan of _____ from the EA\$E group and a personal loan of _____ from her husband, your brother. You help in the restaurant by serving the customers (while Esther is cooking), taking their payments and managing the cash box.

Meanwhile, your neighbor's son, Morris, is courting you from a distance. If you are honest with yourself, you must agree that you are in love with him as well. Of course, it is too early to inform other family members. But you have recently purchased new clothes with Morris in mind. Your salary is too small to pay for these clothes, so you borrowed additional money from the cash box, which you intended to pay back.

This morning, you saw Esther counting the money in the cash box, frowning, and then growing upset and angry. You are sure she has realized that money is missing. You have just washed your hands and are about to join Esther and your brother for lunch. You are sure Esther will raise the issue of the missing money.

Additional information: Your brother also works in the restaurant: He is in charge of the catering service and delivers the food to the clients.

You know that your brother has taken money from the cash box from time to time, but you are not aware of his reasons for doing so.

ANNEX 5: FAMILY COUNCIL INSTRUCTION SHEET

CHAIRPERSON OF EA\$E GROUP

You are a member of the management committee of the EA\$E group. Esther's business plan for the restaurant she wished to start up was very convincing, and you expected that she would begin to earn a good profit right from the start. Unfortunately, due to some unforeseen problems, the business did not prosper as expected.

You were the one who convinced the rest of the members to give her a loan larger than normally allowed. Recently, she requested that her loan repayment be rescheduled and, after convincing the other members, the EA\$E group agreed to extend her repayment due date. The payment is now due tomorrow and you want to make sure she will be paying.

You plan to visit Esther at her house (since it is lunchtime, she is most likely to be there!) to inquire about her business, and insist that she make the payment tomorrow. Since you had personally intervened to plead her case, any problems could affect your position. Indeed, if she does not pay up, and you may even call in the police. Your anger mounts while you approach her house.

ANNEX 6: FAMILY COUNCIL INSTRUCTION SHEET

CHAIRMAN OF THE UNION COUNCIL

(Politically influential person)

You are chairman of the Union Council and you are a regular customer in Esther's restaurant. The food is good, and so is the service! On top of it, Esther never asks you to pay cash. Even when you insist, she smiles at you and just says, "Forget it! Pay whenever you want! You're a good client."

The next electoral campaign is not far away, and you know that Esther's husband and the entire family are your supporters. Since you meet with voters often in her restaurant, you have decided to ask her for a favor. You know that Esther is struggling with her business, but you also like treating your supporters to a good meal—on the house!

It is in your interest that the restaurant continues to operate for many reasons. You have already obtained permission to hold the meeting from Esther's husband. You are sure Esther will appreciate your influence as a popular local politician. You fully anticipate she will welcome your suggestion to hold your meeting at her place next weekend.

SIMPLE BOOKKEEPING EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Be able to do simple additions and subtractions (basic numeracy).
- » Know how to keep simple account books for a small business, dealing with competing needs of family members and a business.



**Time: 60 minutes for introduction; 30 minutes each day
for the remaining eight days**



ADVANCE PREPARATION

- » Draw the bookkeeping chart (Annex 1) on flip chart paper
- » Copies of the bookkeeping chart (enough for all participants)
- » Flip chart
- » Markers
- » Two glasses and a jug (filled with water)
- » Pencils for all participants
- » Performance Chart of the preceding Necklace Production exercise (as reference for cash transactions)

FACILITATION STEPS

STEP 1: INTRODUCE THE CONCEPT OF MONEY-IN AND MONEY-OUT

- » Welcome participants to this new activity. Tell them that they will be learning about basic bookkeeping and will have a chance to practice it over the course of the next eight days.
- » Show the participants a glass filled with water. Put it on a table so that it is visible to all.
- » Take a second empty glass and pour into it some water from the first glass. Ask participants what happened to the contents of the two glasses.

- » Facilitate a discussion. The answer you are looking for is that, by transferring some water from one glass to another,, the quantities of water in both glasses changed.
- » Now pour water from the jug into the first glass. Ask what happened. The answer you are looking for is that the quantity of water in the first glass has increased.
- » Relate these examples to participants' coin purses (or their personal cash boxes). Make them understand that their purses undergo a constant process of fluctuating content (that is, money).

STEP 2: INTRODUCE THE BOOKKEEPING ACTIVITY

- » Draw participants' attention to the bookkeeping chart you have draw on the flip chart (Annex 1). Discuss the sections of the chart:
 - The date column
 - The activity column (activities that generate or lose money)
 - Money-in (arrow up)
 - Money-out (arrow down)
 - Balance
- » Ask participants why it is important for someone in business to know their financial situation at all times.
- » Ask them why it is important to record this information. Relate this information to the key messages from the Family Council Activity.
- » Tell participants you will now conduct a new activity to demonstrate bookkeeping using paper and stones.

STEP 3: DEMONSTRATE WRITTEN BOOKKEEPING EXERCISE

- » Tell participants you will demonstrate simple bookkeeping using your co-facilitator's cash flow for the morning as an example.
- » Ask your co-facilitator to tell the group exactly how much money she (or he) has in her change purse (or pocket) at the moment.
- » Ask the co-facilitator how much she had with her when she left her house this morning. For example, she left the house this morning with 2.5 USD. On the chart, first write the date of the transaction, next make a symbol to represent a house, then put the amount above in both the 'cash in' and the balance columns.

CEFE BUSINESS SKILLS TRAINING PROGRAM FOR EA\$E MEMBERS FACILITATOR GUIDE



DATE	ACTIVITY	MONEY-IN (USD)	MONEY OUT (US)	BALANCE (USD)
1.1.2012	Starting Balance 	2.5	0	2.5

- » Ask the co-facilitator what she ate for breakfast. How much did it cost? For example, she tells you that she bought breakfast for .5 USD.
- » Ask the participants where to record this amount, the 'cash-in' column or 'cash-out' column. The answer you are looking for is in the 'cash-out' column. Post a symbol of food in the activity column and write .5 USD in the 'cash-out' column.

DATE	ACTIVITY	MONEY-IN (USD)	MONEY OUT (US)	BALANCE (USD)
1.1.2012	Starting Balance 	2.5	0	2.5
	Food 		.5	2 (2 - .5 = 2)

- » Ask participants to calculate the new balance. Write the new balance (2 USD) in the balance column.
- » Explain that every new transaction is entered on a new line, so that the bookkeeper can obtain the new balance after each transaction.
- » Ask your co-facilitator what she did after breakfast. For example she stopped at the local mill to drop of some yams to be milled. The cost was 1 USD.
- » Ask for a volunteer to fill-in the chart and calculate the new balance.

DATE	ACTIVITY	MONEY-IN (USD)	MONEY OUT (US)	BALANCE (USD)
1.1.2012	Starting Balance 	2.5	0	2.5
	Food 		.5	2 (2 - .5 = 2)
	Education 		1	1 (2 - 1 = 2)

2 MODULE 2: BUSINESS SKILLS

You co-facilitator tells you that on her way to the training, she ran into her friend that had borrowed 5 USD from her. Her friend was able to pay her back 3 USD and promised to pay her the remaining 2 USD next week.

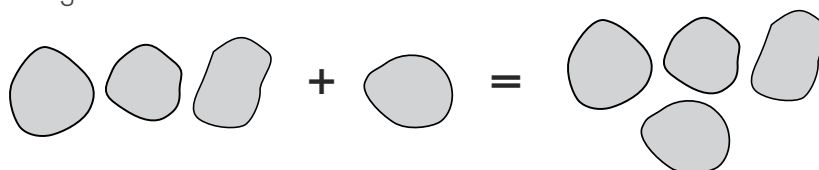
- » Ask for a volunteer to fill-in the chart and calculate the new balance.

DATE	ACTIVITY	MONEY-IN (USD)	MONEY OUT (US)	BALANCE (USD)
1.1.2012	Starting Balance 	2.5	0	2.5
	Food 		.5	2 (2 - .5 = 2)
	Education 		1	1 (2 - 1 = 2)
		3	0	4 (3 + 1 = 4)

- » How much money should your co-facilitator have in her pocket? Ask you co-facilitator to take out the money in her pocket and verify. If the money does not correspond to the amount calculated by the group, ask questions to include transactions you may have forgotten.

STEP 4: DEMONSTRATE BOOKKEEPING EXERCISE USING STONES

- » Tell participants that bookkeeping can also happen without writing on a chart. Solicit ideas from participants. Listen to all the proposed ideas and if it is not mentioned by the group introduce the idea of using stones to keep track of money.
- » Ask participants to go outside and collect as many stones as they can.
- » The first thing they need to do is assign a monetary value to a stone. For example 1 stone represents 1 USD.
- » Using the cash flow example given by your co-facilitator re-do the bookkeeping activity using stones.



STEP 5: PRACTICE BOOKKEEPING ACTIVITY

- » Have participants form small groups of four to six people and give them each a printout of the bookkeeping chart. If they prefer using stones, the group should go and collect as many stones as possible.
- » Share the following scenario and ask them to use the bookkeeping chart or stones to determine Sara's daily cash flow.
 - Sara has 4 USD at the start of her day today.
 - Very early in the morning, her husband asked if he can have 2 USD.
 - She tells him she needs to go to the market today and can only give him 1 USD.
 - He takes 1 USD.
 - She goes to the market to buy her weeks' supply of oil, rice, meat and vegetables. She pays a total of 1.5 USD.
 - She then goes to the tailor to pick up the school uniforms for her daughter. The cost is 2 USD.
- » Walk participants through the scenario slowly making sure they have the time to calculate the balances. Go around and help groups as necessary.
- » In plenary, ask for a volunteer to share the group findings. The volunteer can use the flip chart to demonstrate cash flow calculations.
- » Ask for another volunteer to demonstrate the process using stones.
- » Thank participants for their active engagement. Tell them as homework they are now tasked to track their personal cash flow using their preferred method (writing or stones). They should be prepared to present to the group if selected at the next training.

STEP 6: NUMERACY SKILLS

- » While accounting can be done by people who are not numerically literate, inform the group that numeracy is a key strength or competency in business
- » If people would like to learn basic numbers and accounting, explain that you will be giving out homework to help them learn these skills while they also learn how to keep records using stones.
- » Tell participants that if they choose, they will learn to write from 0 to 100 over the course of the training program.
- » Now ask participants to form groups of 3 or 4. If you have literate participants, assign them to different groups so that they can help participants who are not literate.
- » Write the number "0" on the flip chart and ask participants to practice writing it in their notebooks. Tell them that this number represents "zero."

2

MODULE 2: BUSINESS SKILLS

- » Go around the room and help participants who are having difficulties. Try to remain patient and walk participants through the process at their own pace.
- » One number at a time, you should demonstrate how to write numbers from 0 to 9. Help them practice and then inform them that as homework, their task is to go write five more sets of numbers from 0 to 9 in their notebook.
- » Continue this exercise for the next eight days, following the sequence 0-9, 10-19, 20-29, and so on, until 100 is reached.
- » At the start of every session, participants will be able to practice their numeracy lessons from the previous day and learn how to write the next set.
- » It is a good idea to reward those that are learning the fastest.

TIP: Writing is very often a difficult skill for many people. Do not force them or make them feel uncomfortable if they don't choose to learn numbers. Encourage them instead to do their accounting with stones.

STEP 7: SUMMARY AND CONCLUSION

- » Thank the participants' for their hard work (it really is an achievement for them!), and explain that this exercise will continue throughout the training during the first and final 30 minutes of each day.
- » Recall the encountered difficulties and remind them that this is just a first step.
- » Tell them that calculations are necessary in order to compute expenditures and income, so they must try their best to learn basic bookkeeping skills.
- » Tell them they should seek help (if required) with their literate children or husbands or any other family member whom they trust.

ANNEX 1: BOOKKEEPING FORMAT

DATE	ACTIVITY	MONEY-IN (USD)	MONEY OUT (US)	BALANCE (USD)



Photo Credit: Global Crescendo Participant-Cote d'Ivoire

Module Three

PROJECT DEVELOPMENT



EXERCISES

- 3.1 Brainstorming
- 3.2 Project Identification
- 3.3 Macroscreening
- 3.4 Microscreening

BRAINSTORMING EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Be able to identify various projects in their area.
- » Understand that all economic activities must be based on needs.
- » Realize that a problem in a market or community represents an opportunity for entrepreneurial action by a group of individual.



Time: 30 minutes



ADVANCE PREPARATION

- » Problem matrix (Annex 1)
- » Flip chart
- » Markers
- » Construction paper

FACILITATION STEPS

STEP 1: INTRODUCE THE ACTIVITY

- » Ask participants to get into small groups of three. Tell them that you are going to conduct an activity to help them recognize gaps that can be turned into business opportunities within their community.
- » Tell them this activity involves a friendly competition.
- » Give participants 15 minutes to brainstorm in their small groups all the different problems and needs as well as services or products that are currently unavailable in their community.
- » At the end of the brainstorm, direct their attention to the flip chart where you have recreated Annex 1 with the name of each group.
- » Tell participants they have five seconds to give three problems they have identified. If they use more than five seconds, they will earn no points. Likewise, if they repeat an opportunity already cited, the team will lose a point.
- » Tell participants that each group will earn one point for each problem they identify. Write each problem into the chart.

TIP: The five-second rule ensures that the activity remains lively. However, if it takes several people longer than five seconds to describe their problems, allow a little flexibility. Encourage participants to compete for points: The quicker they present their ideas, the more fun the activity.

- » Once each group has had the chance to complete one round, check to see if there are other problems that some groups have identified that are not listed in the chart. If so give points for any additional contributions.
- » At the end, points will be tallied and a winner announced.

STEP 2: PROCESSING

Below are sample questions to help you facilitate the session. Do not attempt to get through all of the questions, but select a few to help you guide the discussion and draw out key messages.

POSSIBLE FACILITATION QUESTIONS

- » How do you feel about this exercise?
- » Did you expect to identify so many problems/needs in your community?
- » Why do you think you were able to identify so many? You can introduce the idea that brainstorming allows people to come up with many good ideas.
- » What do these needs mean to you as an entrepreneur? How might they impact your business?
- » Name some possible strategies participants can use to take advantage of some of the needs mentioned.

Note: You want to show that “problems” are “needs” waiting to be met. If there is no need for a product or service, there is no market to sell it. Any entrepreneurial activity—to be successful—must be based on a need perceived by the customers!

STEP 3: SUMMARIZE AND CONCLUDE

- » Ask participants the key message they gleaned from this activity.
- » Emphasize that identification of opportunities should be an ongoing task for an entrepreneur.

Again: You want to show that “problems” are “needs” waiting to be met.

- » Tell participants that they will look at the opportunities in more detail in the next exercise.

ANNEX 1: PROBLEM MATRIX (SAMPLE SHEET)

NAME/SYMBOL	PROBLEMS PERCEIVED	NEEDS	PROJECT IDEAS
	Minus: (tick marks)		
	Minus: (tick marks)		
	Minus: (tick marks)		

The "needs" and "project ideas" columns will be discussed in more detail during the following session.

PROJECT IDENTIFICATION EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Know how to look at problems in a new light.
- » Understand how to transform problems into business opportunities.
- » Know how to identify potential project ideas.



Time: 75 minutes



ADVANCE PREPARATION

- » Flip chart and flip chart paper
- » Markers
- » Construction paper

FACILITATION STEPS

STEP 1: INTRODUCE AND CONDUCT THE ACTIVITY

- » Ask participants to sit in the usual semicircle position.
- » Tell participants that you are going to expand on the previous exercise to show how problems can be transformed into opportunities.
- » Give participants a summary of all the problems/needs identified by the group in the previous activity.
- » Take an example and show how a problem is actually a need. For example, "It is difficult to transport heavy goods and products to the market" becomes "There is a need for regular or reliable transport facilities."
- » Go through the list of problems and address them one by one, identifying the respective needs. Use Annex 1 to help you with this process.
- » Once you have finished going through the list, quickly summarize the exercise.
- » Ask participants if they have any questions and comments and move to the next activity.

STEP 2: IDENTIFY PROJECT IDEAS

- » In groups of three, participants will again participate in a small competition. The task is to brainstorm in their small groups about possible projects or business ideas to address the various needs identified by the group.
- » Announce that each project idea will earn a group one point. Record project ideas on the flip chart paper. The participant with the highest score will be named king or queen of creativity and will receive a prize.
- » Urge participants to be as creative as possible. For example:
 - the need for regular transport becomes a project idea for a rickshaw service.
 - the need for a shelter against rain (based on the problem of too much rain) becomes a project idea for selling umbrellas and raincoats and renting tents.

TIP: Encourage participants to be concise and to share their ideas quickly.

- » Begin the activity by reading one of the needs identified on the chart. The group who raises their hand first will be given the opportunity to speak. However, you should ensure that all participants participate, even if you must coax the quiet and shy ones to speak.
- » Make sure that this brainstorming exercise is carried out in a competitive and exciting mood so that even unusual project ideas are identified. Encourage seemingly unusual solutions by reminding them that feasibility (at this point) isn't a concern.

TIP: Solutions might not be found for all problems. In these cases, leave blank spaces in the solutions column and come back to them later if you have time. Some ideas may emerge during the discussion that can help in resolving problems that initially looked unsolvable.

STEP 3: PROCESSING

- » Thank participants for their active participation. Tell them you will now spend a few minutes processing the activity they just completed before announcing the king or queen of creativity.
- » Ask participants how they liked this exercise. Facilitate a discussion and make sure all freely express their thoughts and reflections.

POSSIBLE FACILITATION QUESTIONS

- » What did you think of all the projects that were mentioned?
- » Did one particular project strike you? Why?
- » To what extent do you feel that these projects are possible for you to undertake? What would be easy? What would be difficult? Why?
- » Declare the winner and move onto the following activity.

TIP: Do not overdo the processing at this point, as the participants will have to opportunity to explore the question of feasibility in more detail in the following activity.

STEP 4: SUMMARIZE AND CONCLUDE

- » Thank participants for their active participation and involvement, and congratulate them for all their hard work.
- » Ask participants the key message they gleaned from this activity.
- » Emphasize that identification of opportunities should be an ongoing task for an entrepreneur.

MACROSCREENING EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Be able to identify projects that have potential for development.
- » Be able to match opportunities/projects with people/skills.



Time: 60 minutes



ADVANCE PREPARATION

- » Flip chart
- » Markers
- » Construction paper

FACILITATION STEPS

STEP 1: INTRODUCE ACTIVITY

- » Explain to participants that this activity is designed to identify real business opportunities appropriate for their community.
- » Ask them to think of the many different income-generating activities they have undertaken in the past (say, the last three years).
- » Ask them also to recall businesses others started which they wish they had.
- » Note their examples on the flip chart.
- » Now ask participants to remember the businesses that were identified in the previous session.
- » Remind participants that the closer a business idea is tied to existing needs, the higher the chance the idea will succeed.
- » Ask participants if someone can establish several businesses all at the same time? The answer you are looking for is that this would be very difficult to do; therefore, it's important to screen ideas and identify one that may prove "golden."
- » Tell participants that you will show them how they can screen ideas and select the most appropriate opportunity.

STEP 2: INTRODUCE THE PRESCREENING PROCESS

- » Ask participants' to reflect on all the business ideas they have discussed. Each participant is going to select three ideas that he or she considers promising.
- » Tell participants they can discuss with a partner if they so choose to. They have 10 minutes to identify the three most appropriate businesses.
- » In plenary, ask for volunteers to share one of their three business ideas and explain why they selected that particular business.
- » Make sure that participants are using appropriate criteria (such as personal competencies, availability of financing, demand for the product, etc.) to evaluate their business ideas.
- » Remind participants of the key questions they should ask themselves when thinking of starting a business:
 - Are my own competencies (see Strengths Detector) adequate and sufficient to start and run the business?
 - Will people buy my product or service? Is it needed/demanded? Can people afford my price?
 - Can I finance the project with my own money or will I need a loan? If so, where can I get the money to start the business?
- » Ask the participants to get into pairs and go reconsider all three project ideas they have selected in light of these three questions. If they feel that the business idea they selected is no longer the best (based on the questions), they should change their selection.
- » Explain to participants that the process they just engaged in is called pre-screening.
- » Even after pre-screening their ideas, participants will have to apply still more critical criteria that will help them identify a single project to pursue.

CAUTION

Take time to walk participants through the pre-screening process with care. If you do not proceed deliberately and relate the pre-screening process to their own experiences, the activity will remain abstract for some participants.

STEP 3: PROCESSING

- » Thank participant for sharing all of their ideas. Tell them that you will now spend some time processing the activity they just completed.

POSSIBLE FACILITATION QUESTIONS

- » How did you find this activity? Was it difficult or easy? Why?
- » How did you select your business activities in the past? How is it different from what you did today?
- » What key criteria did you use when selecting a business option today? Reinforce the message of personal competencies, financial capacity and high demand.
- » Why do you think these criteria are important?

STEP 4: SUMMARIZE AND CONCLUDE

- » Thank participants for their active participation and involvement, and congratulate them for all their hard work.
- » Ask if they have any questions about the activity they just completed. Answer all questions and summarize the key messages regarding selection criteria for business.
- » Before you conclude, mention that participants should not forget about the projects that were not selected; they might be considered at a later stage if the ones currently selected prove unpromising.

MICROSCREENING EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Share business ideas.
- » Critically evaluate project ideas.
- » Match opportunities/projects with person/skills.



Time: 180 minutes



ADVANCE PREPARATION

- » Microscreening chart on flip chart (Annex 1)
- » Copies of microscreening chart
- » Flip chart
- » Markers
- » Construction paper

FACILITATION STEPS

STEP 1: INTRODUCE ACTIVITY

- » Summarize the preceding exercise by saying: "You have identified three project ideas. You have done an inventory of your competencies, and you know your key personal and entrepreneurial characteristics/skills."
- » Tell participants it is now time to screen those three project ideas in order to check their feasibility.
- » Invite them to identify some criteria to narrow their options and select one project idea for further development.
- » Note the criteria identified by participants on a flip chart. If necessary, you can guide them toward four standard criteria used in the microscreening process:
 - Availability of effective demand
 - Availability of raw material
 - Availability of skills
 - Availability of financial resources

3 MODULE 3: PROJECT DEVELOPMENT

- » Tell participants you will walk through the microscreening process using examples from the businesses they selected in the previous macroscreening exercise. Tell them you will take a business and rate it using the four criteria described above.
- » Explain that the rating uses a scale of 0 to 5, where “0” indicates “no demand” and “5” indicates “extremely high demand”. Make clear that the extremes of 0 and 5 only occur in rare cases, as they are really exceptions. Usually, ratings fall between 1 and 4.

STEP 3: DEMONSTRATE ACTIVITY USING AN EXAMPLE

CRITERIA 1: EFFECTIVE DEMAND (SYMBOL = PEOPLE)

- » Ask participants to explain what effective demand means to them. Reiterate that effective demand is when customers want and have the financial capacity, to buy the product that a business is supplying.
- » Clarify that the market determines success or failure of any project—if there is no buyer (or not a sufficient number of buyers) there will be no sales.
- » Provide the following example to clarify effective demand: Everybody would like to have a car but there are only a few people who can afford to buy one; a business idea for selling cars would be rated 0 or 1 to show that there is no effective demand for cars.
- » Note the three businesses under consideration in the first column on the Microscreening Chart. Ask participants to rate each of the three business ideas from 0 to 5.
- » For each “grade” that is given, place the symbol of people in the box. For example, if the first business is rated 4, place four “people” in the box. If the rating was “0” place no symbol in the box. Facilitate a detailed discussion of the scale and reasons for rating ideas.
- » After you have ranked all three businesses for the first criteria, move to the second.

CRITERIA 2: AVAILABILITY OF RAW MATERIAL (SYMBOL = PUZZLE)

- » Tell participants you will now rank the businesses using the second criteria, the availability of raw material.
- » Ask participants why it is important to consider the availability of raw materials when considering a business.
- » Reiterate that all businesses depend on the inflow of raw material, which is used for production or in the provision of services or simply resold at a higher price (trading).
- » Consider the various raw materials needed for each potential business. Based on the availability of the raw materials, rank the businesses: If raw materials are readily available throughout the year, the rating should be high, but if raw materials will be affected by seasonal fluctuations, the ratings will be lower, respectively.

CRITERIA 3: AVAILABILITY OF PERSONAL SKILLS (SYMBOL = TWO HANDS)

- » Tell participants to consider the third criteria, personal skills.
- » Remind participants that there are two ways to acquire the skills needed for a business: either the owner possesses them, or she needs to hire skilled laborers.
- » Ask participants which of the two options would be better. The answer you are looking for is that it is easier and cheaper to possess the skills yourself rather than to hire people with them. To reiterate the key point, if the potential owner also has the necessary skills to run the business, then the business should get a high rating; if the owner must hire laborers, then the business should get a lower rating.
- » Place the “hand” symbol to indicate the ratings the three businesses have received.

CRITERIA 4: AVAILABILITY OF FINANCIAL RESOURCES (SYMBOL = BANK NOTES)

- » Tell participants to look at the last criteria, the availability of financial resources.
- » Remind participants that to start any business, small or big, some seed money is almost always required. However, the amount of money is going to vary from one business to the other. It is therefore important to determine how much money is required to start a particular business, and if capital is available for loans.
- » If financial resources are readily available, the business in question can get a ranking as high as 5. If financial resources are scarce and there are no savings available, the business should get a ranking as low as 0.
- » Place the “bank note” symbol in the proper column on the chart based on participants’ ranking.
- » At the end of this process, ask participants to add up all the ratings per project idea and write the totals in the proper column.
- » Ask participants to do their own micro-ranking exercise. Give each participant the micro-ranking sheets and symbol cards.
- » Assure them that facilitators will be available to help them with the exercise.

COMPETITION

- » Ask participants to define competition: What is it and why is it important to consider when starting a business. Facilitate a discussion and make sure the following points are addressed:
 - The more competitors, the less likely new entries (products) can be sold.
 - The greater the competition, the smaller the income.
 - The greater the competition the more one needs to consider product differentiation.
- » Explain that rating competition works in the same way other ratings do: When there are more competitors, the rating will be lower to indicate that the business is less desirable. Make sure that everyone understands the process, and then ask each participant to reflect on his or her individual microscreening and rank the competition for each business.

3 MODULE 3: PROJECT DEVELOPMENT

- » Once the ranking is complete, ask each participant to do the math and share the results with the rest of the group. Tell participant that you will now spend some time to process activity.

Note: Remind participants that all these activities are only the starting point to begin to understand the viability of a given business idea. There is still much more to learn about starting and growing a business!

STEP 3: PROCESSING

- » Ask participants how they feel about the result of their screening activity. Facilitate a discussion.
- » Encourage participants to ask questions about the results of each other's micro-rankings.
- » Ask participants if, apart from the criteria applied above, are there other factors to consider when you evaluate a business opportunity. Let participants freely share their ideas and note them on flip chart.
- » Discuss every idea proposed one by one. Reiterate that there are many criteria that entrepreneurs can use to assess a business, especially product-specific ones. Reiterate that the criteria used during the microscreening process are only a start, but very useful way to begin.

STEP 4: SUMMARIZE AND CONCLUDE

- » Explain to the group that the last few activities are meant to help them understand individual capacity and potential business opportunities. The next step will help them to understand the market economy in greater detail.
- » There are some "basic laws" which govern interactions in the marketplace; these need to be identified before any decision can be made on potential business opportunities.

CAUTION

The rating process may be too abstract for participants. Make sure you relate the activity to their daily realities in every way possible. Find examples to illustrate the rating process. Ask relevant questions to better comprehend the participants' explanations during the presentation phase. Help them to reflect on their own assumptions about business planning.

Note: This exercise is a foundation for all activities to follow. If the allotted time frame is not enough, extend it as needed.

ANNEX 1: MICROSCREENING CHART

CORRECTED TOTAL (=)					
COMPETITORS (-)					
TOTAL (=)					
AVAILABILITY OF FINANCIAL RESOURCES (+)					
AVAILABILITY OF SKILLS (+)					
AVAILABILITY OF RAW MATERIALS (+)					
AVAILABILITY OF EFFECTIVE DEMAND (+)					
PROJECT: GOOD, SERVICE OR TRADE					

EVALUATION CRITERIA

5 = excellent

4 = good

3 = average

2 = fair

1 = poor

0 = not existing

You may also apply a rating scale consisting of 5, 3 and 1 (and 0 respectively), if you are convinced that your target group will do better if there are less options.



Photo Credit: Elly Perkins

Module Four

MARKETING



EXERCISES

- 4.1 Fine Biscuit/Minimarket
- 4.2 Cooking Oil
- 4.3 Market Survey Preparation
- 4.4 Market Survey
- 4.5 Market Survey Feedback
- 4.6 Calendar

FINE BISCUIT EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Be prepared to conduct a market survey.
- » Understand the importance of the four Ps (Place, Price, Product and Promotion).
- » Understand the relationship between the four Ps.
- » Understand the link between the four Ps and customers, competitors, suppliers, etc.
- » Be able to use the four Ps as an analytical tool.



Time: 180 minutes



ADVANCE PREPARATION

- » 5 price-tag cards
- » 2 flip chart sheets in form of an arrow (shop entrance points)
- » Flip chart
- » Colored markers, colored paper, scissors, tape, bells and/or other trinkets
- » Four Ps performance overview chart (see Annex 1)
- » 3 types of biscuits

FACILITATION STEPS

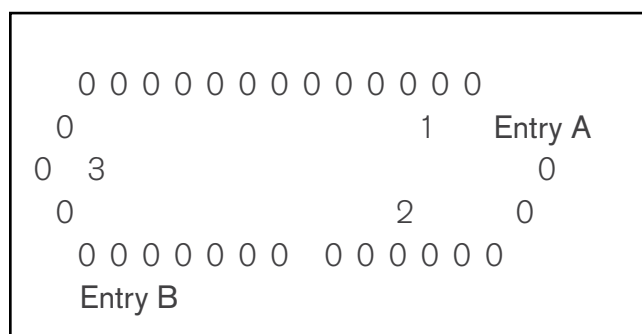
STEP 1: INTRODUCE ACTIVITY

- » Welcome participants to a new activity. Tell them they will engage with the marketplace and determine some key factors that influence peoples' choice to buy a product.
- » Tell participants that they will act as buyers looking to purchase a snack to resell in the market. They are free to choose the product and the wholesaler to buy from. Emphasize that the exercise is not a competition.
- » Explain that the space in which they are sitting represents the market. There are two entry points to the market, indicated by two arrows on the floor (place the large arrows made from flip chart sheets on the floor before you start the activity).
- » Explain that chairs represent stalls in the market from which they can buy products. Make sure the set up is clear for everyone and proceed to the activity.

STEP 2: CONDUCT ACTIVITY

ROUND 1: PLACE

- » Explain that there are three sellers (among many others) at the market that sell the same product, for the same price, but in different stalls. The stalls are indicated by three chairs (or props) which are numbered 1, 2 and 3. Other chairs are numbered 0 and represent anonymous other stalls.



- » Tell participants to assume that they do not know any of the three buyers personally. They will need to walk into the market and decide then from whom to buy cookies.
- » Ask the participants to now enter the market place, look around and silently decide who they are going to buy the cookies from (stall 1, stall 2 or stall 3).
- » Explain that each participant, or buyer, has only one vote and they will cast the vote for the stall they have chosen. Ask participants if they have made their choice? If yes, proceed to the vote counting.
- » Count the votes for each stall, and have a co-facilitator mark them in the respective box on the 4 Ps Overview Performance Chart (Annex 1), placed in a way that the participants can't see it.
- » Now ask the participants to explain their choice. Note down the arguments on a separate flip chart paper under the heading PLACE.

ROUND 2: PRODUCT

- » Place different products on each of three chairs now arranged together in the center of the market.
- » The products can be labeled coconut biscuits, ginger biscuit, and chocolate biscuit, along with their prices (make sure the price of all the biscuits are at real market price).
- » Ask the buyers which of the three products they would prefer to buy. Ask participants to silently make their choices and be ready to explain why they chose that product.
- » Ask participants if they have made their choice. If yes proceed to the vote counting.

4

MODULE 4: MARKETING

- » Count the votes (one vote per participant) and have your co-facilitator mark them on the performance chart.
- » Ask participants to explain their choices. Note the arguments on a separate flip chart under the heading PRODUCT.

ROUND 3: PRICE

- » Place the same product, coconut biscuit, on the three chairs, but give all three different price tags (for example, \$2, \$3 and \$5, or similar amounts in the local currency).
- » Ask the participants from which stall they would prefer to buy biscuits. Ask participants to silently make their choices and be ready to explain why they chose that product.
- » Ask participants if they have made their choice. If yes proceed to the vote counting.
- » Count the votes (one vote per participant) and have your co-facilitator mark them on the performance chart.
- » Now ask participants to explain their choices. Note down the arguments on a separate flip chart sheet under the heading PRICE. (It is expected that almost all will buy the product with the cheapest price.)

ROUND 4: PROMOTION

- » Ask three volunteers (identified by the facilitators the day before, if possible) to leave the training hall.
- » Have a co-facilitator tell the volunteers outside that they will role play biscuit sellers, all selling the same quality product at the same price. They cannot alter the selling price, which is \$3 (or an amount similar in local currency) per package.
- » Give each seller a package of coconut biscuits. Their task is to motivate the other participants to buy from them using promotional and behavioral strategies.
- » Give the volunteers 10 minutes to prepare themselves. (Provide colored paper, scissors, tape, bells, markers of different colors, flip charts, etc., to develop innovative promotional materials.
- » In the meantime, facilitate a brief discussion with the participants in the training hall on the impact of promotion to motivate buyers. Their comments can be noted on the flip chart under the heading PROMOTION.
- » Set up three stalls for the sellers.
- » Attach price tags (\$3 or a similar amount in local currency) so that the buyers know the price of the product. Have that three biscuits sellers open the “shops” for business.
- » Both sellers and buyers should assume that they do not know each other personally. No one should buy or sell based on personal relationships.
- » Ask the sellers to promote their biscuits to the buyers.

- » After about five minutes, ask the sellers to leave the market. Invite participants to vote (one vote per participant) for their preferred seller and the co-facilitator mark the totals on the performance chart.
- » Invite the volunteers/sellers to return to the group and thank them for their help.
- » Now ask participants to explain their choices. Note their observations on a separate flip chart under the heading PROMOTION & PERSON.

Note: Concentrate on key observations and ideas, and try to avoid repetitious comments.

STEP 3: UNDERSTANDING THE FOUR PS

- » Briefly summarize the participants' observations (remember, participants have not seen the performance chart). You can first announce the votes and then refer to the comments noted on the flip chart sheets.
- » Draw participants' attention to the votes listed under the four Ps and ask what they can learn from this. The point you want to make is that these elements are important for businesses: appropriate place (close to the consumers, approachable), affordable price (attractive to clients and competitive), an attractive product (satisfies customers' demand), and an appropriate promotion (attractive way to potential clients).
- » Once the concept of the four Ps is well understood, proceed to the processing activity.

STEP 4: PROCESSING

- » Tell participants that you will now spend a few minutes processing and understanding the activity they completed. Point out that this exercise deals with important aspects of launching one's own business and for understanding others' businesses.
- » Remind participants that they are part of the general marketplace, and their buying decisions will influence others in comparable situations (purchasing power, gender mix, professional background, family size, etc.).
- » The following are some questions you can use to facilitate the discussion:
 - Which of the four Ps got the **highest score**? Why? What does this indicate? (Usually, the cheapest price gets the highest score; emphasize that price obviously plays a major role in buying decisions in this area!)
 - Which of the four Ps got the **lowest score**? Why? (Again, you want to coax lessons from the exercise that participants can apply to their businesses.)
 - What scores surprised you? Why?

- Which of the categories have the **closest scores** (i.e., with little differences in vote tallies)? What does this indicate? The answer you are looking for is that there are no clear-cut decisions when it comes to buyers' choices. The reality is that people have varying tastes, preferences and criteria for making purchases.
 - What lesson have you learned from this activity? What would you do differently in your own business or a business you are planning to start?
- » Write down the four Ps on flip chart sheet and ask one participant to briefly describe the four Ps as they apply to his/her business. Note his/her business on top of a sheet.
 - » Ask participants if they see any link between the four Ps. How does Place (of production or of sales) relate to Price, for example? The correlation can have implications on the product's price: rent, new equipment, promotional efforts (to make a new shop's location known to the public).
 - » Ask participants what would happen if the Product changes (slightly or radically). How would this impact the other Ps? Make sure that participants understand that a change in product can have price implications, and will probably influence the promotional efforts and even require that the owner change the selling or producing site.
 - » Ask participants what would happen if the Price of the original product changed? A lower price can mean fewer promotions but a higher turnover (more sales) and vice versa. The Place might not necessarily be affected.
 - » Ask participants what would happen if Promotion changes (either increases or decreases). Facilitate a discussion and make sure that participants articulate that a change in promotional efforts can influence price. Cost-effective promotion (the cost of the promotion is lower than the profits expected from the promotion) can lead to increased sales. A poor or badly done promotion can lead to flat sales or even to reduced sales.

STEP 5: CHARACTERISTICS OF A SUCCESSFUL BUSINESS

- » Now that the participants understand the four Ps, ask them to identify elements of a successful business? What is the right mix? Facilitate a discussion to make sure that participants are able to identify that:
 - Careful planning is an important component for succeeding in business.
 - A good understanding and careful study of competitors is required to make good business decisions.
 - Ensuring the availability of raw material and other equipment prices (suppliers) is crucial in starting a business.
 - Above all, understanding demand—the likes and dislikes, needs and requirements—of clients are paramount.

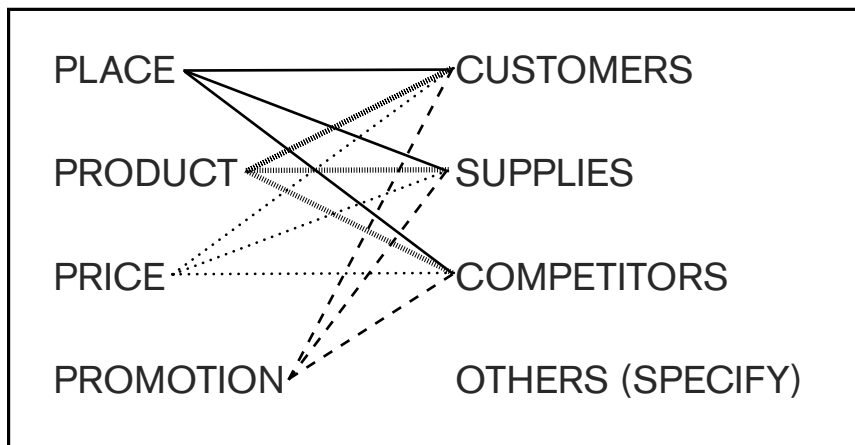
CEFE BUSINESS SKILLS TRAINING PROGRAM FOR EA\$E MEMBERS FACILITATOR GUIDE



- » Ask participants how this new understanding might influence their business ideas.
- » Note participants' comments on the flip chart (this will help you summarize at the end of the processing activity).
- » Emphasize the importance of knowing your clients, competitors, suppliers, and providers of technical and other information.
- » Ask participants to identify sources of information for each of the four Ps and write them down on flip chart, as shown below:

PLACE	CUSTOMERS
PRODUCT	SUPPLIES
PRICE	COMPETITORS
PROMOTION	OTHERS (SPECIFY)

- » Then ask participant to match each P with the possible sources of information (see below).



- » How can entrepreneurs discover the opinions of potential Clients? The answer you are looking for is that clients have to be interviewed; the sample could range from neighbors and participants to random passersby. Negative feedback can be important, because it signals a certain danger concerning your business.



KEY ISSUES

As a business owner, one needs to know:

What would be most appropriate place to sell the product (PLACE)? Are customers interested in what I have to sell (NEED)? Are there any features that need to be changed (PRODUCT)? What can I charge to entice the maximum number of customers (PRICE)?

Having answers to these questions enables entrepreneurs to develop a strategy to launch their product or a revised version or another product in demand.

STEP 5: SUMMARIZE AND CONCLUDE

- » Tell participants that they have now identified key elements that need to be taken into consideration to start a business. Seeking information about Place, Product, Price and Promotion is what we call conducting a Market Survey.
- » Tell participants that in the next few days, they will be trained to conduct a market survey. Afterward, participants will conduct an actual survey of their own to obtain detailed information related to the four Ps. If they choose, they should feel free to visit the market at the end of the day's training.

ANNEX 1: FOUR PS PERFORMANCE OVERVIEW CHART

POSITION	1	2	3
Place	near entry A	between entry A & B	distant place
Product	Biscuit 1	Biscuit 2	Biscuit 3
Price	5 USD	7 USD	6 USD
Promotion	Name of person	Name of person	Name of person

Note the participants' arguments separately on flip chart sheets; at least one sheet for each P. For processing, the flip chart sheets can be torn off and posted on the wall. Don't forget to read out their arguments again before addressing individual aspects.

MINI-MARKET EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Be able to describe the different Ps in detail.
- » Develop a marketing strategy using the four Ps.
- » Begin the business plan preparation.



Time: 120 minutes



ADVANCE PREPARATION

- » A day before the session, ask five or six volunteers to bring objects/products to be sold (you can put a price limit on the items if necessary).
- » Inform all participants that there will be exciting products for sale the next day and that they should bring money if they wish to buy something.
- » Flip chart
- » Markers

FACILITATION STEPS

STEP 1: INTRODUCE ACTIVITY

- » Welcome participants to a new activity. Tell them that you will lead them through a mini-market exercise that involves selling goods or a service to potential buyers.
- » Reiterate that anything sold will be sold for good. Products can neither be exchanged nor reimbursed at the end of the exercise.
- » Participants must carefully note all their cash transactions.
- » Allow the sellers (the volunteers who have brought products to the session) five minutes to prepare their market stalls. Tell them that they have to select their own selling places.

STEP 2: CONDUCT ACTIVITY

- » Once the sellers have set up their stalls, begin the activity by inviting buyers to the mini-market. Tell them they have 15 minutes for this activity.
- » Sellers and buyers can freely address each other as though they were in a real marketplace.
- » Negotiations may take place, but buyers need to pay cash immediately to settle a deal.
- » Buyers are bound to purchase at least two products/services, but if they so desire, they may buy more. Tell buyers that they must later state why they decided to purchase an item. You and your co-facilitator should make notes of your observations of the different strategies used by both sellers and buyers.
- » After 15 minutes, close the market and ask the participants to sit down again so that their transactions can be recorded.

Note: If time is short, allow the exercise to continue the next day, because lessons gleaned from this exercise are essential not only for preparation of the business plan, but also for the comprehension of the interdependence of the four Ps.

STEP 3: PROCESSING

- » Ask the sellers and buyers how they think the transactions went? How are they feeling (happy, frustrated, etc.) and why? Write their responses on the flip chart.
- » Inquire of those sellers who failed to sell any products why they think they failed. Note their answers on the flip chart. Facilitate a discussion and make sure at the following points are addressed:
 - The needs of the buyers were not researched.
 - Quality did not meet buyers' requirement (PRODUCT).
 - The product was too expensive (PRICE).
 - The seller's style was too passive or aggressive (PERSON, PROMOTION).
 - The seller could not get close enough to buyers (PLACE).

Note: Other reasons may also be noted. Do not yet mention the terms PRODUCT, PLACE, PRICE, and PROMOTION if the participants themselves do not mention them.

- » Now ask those who sold their products or services to state their "secrets" of success. Note their answers on a separate flip chart sheet. Pay particular attention if anyone mentions any of the four Ps specifically.

4 MODULE 4: MARKETING

- » Ask the successful sellers if they were able to obtain the price they had set prior to the start of the activity. If yes, how? If no, what happened?
- » What is the relationship of negotiation to selling price (profit margin)?
- » Ask observers to point out the sellers they felt understood the concept of demand? How did these sellers assess buyers' needs? The answer you are looking for is that these sellers may have observed certain behaviors that helped in assessing a buyers' need.
- » Ask participants to identify some risks associated with making assumptions about buyers? The point you want to make is that sellers must make informed guesses about potential buyers, but uninformed assumptions can be risky.
- » Ask participants how they could have checked their assumptions. The answer you are looking for is that they could have conducted a simple interview of potential buyers to better understand their needs and wants.
- » Now ask each of the buyers to report what they purchased and why?
- » Were buyers tempted to buy something that they really did not need, purely because of a seller's persuasion strategies? If so, ask the persuasion technique used.
- » What other aspects motivated the buyers to purchase a product? Were their needs surveyed by any of the entrepreneurs?
- » Now introduce each of the Ps and wrap up the exercise by highlighting their importance. Emphasize that those who properly practice the Ps have a greater chance of successful selling. It is all a matter of effective planning: Business interventions need to be planned in advance to ensure success. And planning must be based on reliable information (information seeking PEC).
- » Ask participants what they have learned from the minimarket exercise? The answer you are looking for is that planning is fundamental to ensure the success of any business. The four Ps provide a framework to guide the planning process.

STEP 4: SUMMARY OF THE FOUR PS

Remind participants that the combination of the four Ps for their businesses will translate into a marketing strategy.

Now summarize the four Ps as follows, using and referring as much as possible to the mini-market exercise:

PLACE

Distinguish between place of production and place of sales. Entrepreneurs always need to ask the following questions:

- » Where are my customers?
- » How can I be close to them?
- » When do they prefer to buy (morning, noon, evening)?
- » How can I distinguish myself from my competitors without straying from the clients?

PRODUCT

Know customers' needs and preferences. Entrepreneurs always need to:

- » Define their products according to the needs and preferences of potential clients.
- » Distinguish their products from those of their competitors (new features, different uses, etc.).
- » Know the production process and the sources of raw material in terms of quality and costs.
- » Decide where to buy raw materials.

PRICE

Know the right price to charge to maximize sales. Entrepreneurs always need to:

- » Know their competitors' prices, and fix their own accordingly.
- » Understand that price flexibility is often the best strategy.
- » Introduce products to market at slightly lower prices.
- » Explore the possibility of charging higher prices but adding an additional feature (being cutting edge).

PROMOTION

Entrepreneurs must make sure that customers learn/know about their products, through word of mouth, posters, banners, etc. Entrepreneurs need to ask themselves the following questions:

- » What promotional measures can I use (to attract initial customers for example- buy 10 and get one free)?
- » What sales techniques serve as good promotion (a good smile, for example)?
- » How can I make my sales location attractive, clean and well organized?
- » Should I offer sales on credit (this strategy does involve some risk)?

Note: The best promotion technique is providing a good quality product, because buyers will become your best promoters by talking about and praising your products.

STEP 5: PRACTICAL APPLICATION OF THE FOUR PS

- » Divide participants into small working groups, preferably according to their project ideas.
- » Ask each participant to define the four Ps for his or her individual project. Encourage participants to elaborate on their marketing strategies.
- » Co-facilitators should act as coaches for each group (30 minutes).
- » At the end of the session, ask two or three volunteers to share their marketing strategies with the group.
- » Encourage active discussion so that all participants understand the relationship between the four Ps and appropriate marketing strategies.

STEP 6: CONCLUSION

- » Summarize key lessons from this activity.
- » Ask participants if they have any questions. Clarify outstanding issues and move on to the next activity.

COOKING OIL EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Understand the need to inquire about supply and demand for products/services.
- » Understand the impact that supply and demand has on the price of a product or service.
- » Be able to adapt prices to different supply and demand situations.
- » Be able to prepare a market survey.



Time: 120 minutes



ADVANCE PREPARATION

- » Bottle cut out from construction paper
- » 5 bottles of cooking oil (or any other product feasible for this exercise)
- » Supply and demand Gap Overview Chart (Annex 1)
- » Flip chart
- » Markers
- » Construction paper

FACILITATION STEPS

STEP 1: INTRODUCE ACTIVITY

- » Welcome participants to a new activity. Explain that five sellers are in the market selling the same commodity, cooking oil, usually sold in quarter-liter bottles. At present, smaller or larger sizes are not available in the market.
- » Ask for five volunteers to play the role of the five sellers. Privately brief them about their overhead (fix a realistic price) so that they can determine their selling price. Remind participants that effective sellers never disclose their wholesale costs, so neither must they.
- » Have the remaining participants represent buyers within a village, each participant representing one family.
- » Ask the participants if oil is a necessary commodity for their household. If the answer is yes, ask how much oil they buy on average per month. Facilitate a discussion and fix the monthly average consumption of each family at 10 bottles of cooking oil (this will make calculations easier).

- » Ask participants to calculate the average monthly consumption in the village. Write the answer clearly on the flip chart like this:

NUMBER OF PARTICIPANTS X 10 = DEMAND

- » Tell the participants that the five sellers get their monthly supply of 50 bottles of cooking oil according to the specifications (size, wholesale price) given above.
- » Place the bottles made of construction paper (50 each) next to every seller.
- » Ask the participants how many bottles the sellers have received (this represents supply). Mark the calculation on flip chart like this:

5 X 50 BOTTLES = 250 BOTTLES

STEP 2: CONDUCT ACTIVITY

ROUND 1

- » Ask the sellers to write on a piece of paper (or think of) the price they would fix for one bottle of cooking oil. The sellers should keep this number hidden from participants.
- » Then ask buyers how much they would be willing to pay for one bottle of cooking oil in this situation? Remind them that oil is required for their daily cooking and is an important consumer item.
- » Note the buyers' highest and lowest prices (the price bracket) in the Buyers column on Demand–Supply Gap Overview Chart (Annex 1).
- » Now ask the sellers to display their prices for one bottle of cooking oil.
- » Write the sellers' different prices in the sellers' columns of the chart.
- » If there are significant price differences among the sellers' quoted prices, probe into the reasons for the variations and note them on a separate flip chart sheet.
- » Ask buyers what they would do in real life if they needed a product in high demand. The response you are seeking for is that they would hurry to the market to obtain the product at the best possible price.
- » Encourage the participants to treat this exercise realistically and hurry to the seller from whom they intend to buy their cooking oil.
- » They should form one line in front of their chosen sellers.
- » The seller with the least customers must close down business.

CEFE BUSINESS SKILLS TRAINING PROGRAM FOR EA\$E MEMBERS FACILITATOR GUIDE



- » Ask this seller why he or she is now out of the game. Suggest to the group that striving for “quick profit” can be highly detrimental for business and only works in rare circumstances.

ROUND 2

- » The seller who had the least amount of sales had to close shop. Remove one stall and collect the bottles. Tell participants to pretend it is a new month.
- » Ask sellers and buyers alike regarding the demand for oil in the village. The figure remains unchanged from the first round.

NUMBER OF PARTICIPANTS X 10 = DEMAND

- » Ask buyers the available supply of oil. This amount is now changed from the first round. Write these figures on the chart and let them calculate the difference.

4 X 50 BOTTLES = 200 BOTTLES

- » What is higher demand or supply? How large is the gap – let them explain!
- » Ask the remaining sellers to fix their selling prices for this new round. Sellers can raise or lower their prices or keep them stable.
- » Ask buyers the price they are ready to pay in the second round. Write the price in the respective column of the chart.
- » Ask the sellers to show their prices and explain their reasons for setting the prices.
- » Ask buyers again line up in front of the seller from whom they intend to purchase. Dramatize the situation by emphasizing that some buyers will not find the product they desire to buy.
- » Identify the two sellers with the least customers (or with the respective highest prices) and tell them that they must close down their shops. Retrieve the bottles from these two sellers.
- » Ask them how they feel about closing down their shops. Tell them that they should remain vigilant as observers for the following rounds.

ROUND 3

- » The situation has changed dramatically because two more sellers had to close down. Only two sellers remain, and each receiving the same number of bottles, 50 each.
- » Recalculate supply and demand. Let the participants identify the difference. Make sure they see that the demand has remained steady while the supply has dramatically reduced to 100 bottles.

4 MODULE 4: MARKETING

- » Ask if all families will be able to buy cooking oil (if supply can meet demand?).
- » Facilitate a discussion using the following questions:
 - How are all families going to cook without oil?
 - How can they make sure that they get cooking oil? Note that buyers (1) will reduce consumption; (2) find a new market; (3) pay more in the same market. The point you want to make is that buyers will be willing to pay more for the same product
- » Tell participants that it is now a new month.
- » Ask the remaining two sellers to fix their prices for this round and write the price on a piece of paper.
- » Ask buyers the price they are willing to pay per bottle. Note the price in the proper bracket on the chart.
- » Ask the two sellers to display the prices they are asking and why they have set those prices? Note these prices on the chart as well as the sellers' reasons.
- » Ask buyers to line up in front of the seller of their choice. Those who reach the stalls first will be able to obtain the oil. When the sellers run out of product, the remaining buyers must return to their seats empty-handed.
- » Ask those who were unable to obtain the oil what will they do? Note their answers on separate flip chart sheet.

ROUND 4

- » Explain to the group that one of the remaining two sellers has closed his shop because he is moving away. Only one seller remains.
- » Ask the group to calculate demand and supply. Write the calculation on the chart. You want participants to understand the increasing gap between demand and supply.
- » Ask the last seller to determine a new price, knowing there are only 50 bottles available and only one supplier of oil.
- » Ask buyers the price they are willing to pay per bottle and why? Write these figures on the chart as well as the buyers' comments.
- » Ask the seller to show his or her price per bottle and why he or she set this price? Note the results on the chart.

TIP: If sellers during rounds 2 to 4 keep the same prices as in round 1, ask the buyers whether they would have been willing to buy at higher prices in order to ensure that cooking oil is available for their family.

Variation: Reverse the sequence by starting from one seller and moving toward more sellers. This version of the exercise highlights the “copycat syndrome” characteristic of many developing countries. In this case, the processing below may require revision.

STEP 3: PROCESSING

- » Briefly review the Supply–Demand Gap Overview Chart. Ask participants how they interpret the results? Were there any surprises? Involve the observers (failed sellers) in the process.
- » Ask participants if they noticed any link between changing supply and constantly changing demand? Facilitate a discussion to show that high demand and low supply (supply gap) pushes prices up.
- » In this exercise, the demand remained stable and the supply decreased. Ask participants to cite other ways that supply and demand can change? Facilitate a discussion to identify the following:
 - Supply might remain stable and demand might rise.
 - Supply might remain stable and demand might fall (people might leave the village or begin to consume a different kind of oil).
 - Supply might increase but the demand remains the same (the copy cat syndrome).
- » Visualize the effect of changing demand and supply on prices with the help of Annex 2.
- » Why is a thorough understanding of the supply and demand important in project identification?
- » What kinds of projects seem to be most promising? Facilitate a discussion to show that it is important to identify products or services that are in high demand.
- » Remind participants that one of their tasks in conducting a market survey will be to assess the demand and the supply for their prospective products. If the current demand is almost satisfied, what can they do to ensure the success of their business?
- » Explain the concept of market saturation, i.e., supply is equal or even higher than demand.
- » What would happen if someone offered a new product in high demand? Facilitate a discussion to show that this person would get a high market share. In business it is always important to reinvent oneself and always be ahead of competitors by improving quality, adding new features to the product or diversifying into a new line.

STEP 4: SUMMARIZE AND CONCLUDE

- » Thank participant for their hard work and summarize key lessons from this activity.
- » Ask participants if they have any questions. Clarify outstanding issues and move on to the next activity.

ANNEX 1: LAW OF SUPPLY AND DEMAND

DEMAND–SUPPLY GAP CHART

(example based on the figures provided in the text)

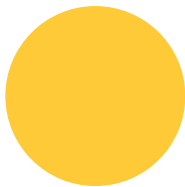
ROUND	SUPPLY	DEMAND	GAP	PRICES: SELLERS					PRICES: BUYERS
				1	2	3	4	5	
1	250	200	no (+50)						
2	200	200	NO (0)						
3	100	200	100						
4	50	200	150						
(From here downward, chart is optional)									
SCENARIO 1 (no seller)	0	200	200	» New sellers emerge » Purchase in neighboring village					
SCENARIO 2 (purchase in neighboring village)	0	200	200	» Original prices might be maintained or rise slightly » New sellers emerge » Change of cooking habits (new fats or oils)					
SCENARIO 3 (new sellers)	100-300	200	variable	» Market saturation might be reached again » Back to normal					
SCENARIO 4 (new cooking habits)	0	200	200	» A new market is opened » New cooking habits might bring new business opportunities					

The examples above are meant to prepare the facilitator for scenarios they may encounter, but entries and figures will vary accordingly.

ANNEX 2: VISUALIZING DEMAND AND SUPPLY

1. DEMAND GREATER THAN SUPPLY

DEMAND



SUPPLY



PRICE (TENDENCY)

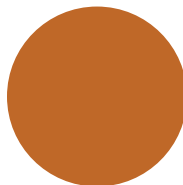


2. DEMAND LESS THAN SUPPLY

DEMAND



SUPPLY



PRICE (TENDENCY)

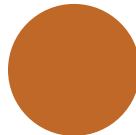


2. DEMAND AND SUPPLY EQUAL

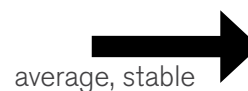
DEMAND



SUPPLY



PRICE (TENDENCY)



Ask Participants to consider the best possible strategies for the three different scenarios above. Make them understand their situation as newcomers to the market:

How best they might penetrate the market (marketing strategy), which prices might favor their situation, how to best position their respective products (market saturation, demand–supply gap, over supply).

MARKET SURVEY PREPARATION EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Identify appropriate informants for their own market surveys.
- » Develop strategies to reach key informants.
- » Prepare specific questions to obtain information with regard to the four Ps.
- » Conduct a market survey.



Time: 120 minutes



ADVANCE PREPARATION

- » A bright colored star to use on the grid
- » Flip chart
- » Construction paper
- » Markers
- » Chart with four Ps and comments concerning sources of information (prepared during the biscuit exercise)

FACILITATION STEPS

STEP 1: INTRODUCE ACTIVITY

- » Welcome participants to a new activity. Now that they understand the importance of the four Ps and the impact of supply and demand on prices, it is time to apply these concepts to participants' potential business ideas by conducting market research.
- » Conducting a market survey using the four Ps will determine:
 - clients needs
 - clients' buying power
 - supply and demand for the product
 - potential suppliers' price range
 - competitors' strategies

CEFE BUSINESS SKILLS TRAINING PROGRAM FOR EA\$E MEMBERS FACILITATOR GUIDE



- » A successful market survey requires careful planning. Participants must know who they want to interview, what questions they want to ask, how to ask the questions, and how long the process will take.
- » Draw a table with five vertical and horizontal boxes as shown below. Ask participants to quickly remind you of the four Ps and mark the column to the left accordingly.

	CUSTOMERS	COMPETITORS	SUPPLIES	OTHERS (E.G. OBSERVATION)
PRODUCT				
PLACE				
PRICE				
PROMOTION				

- » Ask participants to remind you of potential sources of information and note them down on the top row, as shown below.

	CUSTOMERS	COMPETITORS	SUPPLIES	OTHERS (E.G. OBSERVATION)
PRODUCT				
PLACE				
PRICE				
PROMOTION				

- » Tell participants that they will now prepare for their market surveys: The facilitator will conduct a group exercise; afterward, participants will work on their individual business ideas.

STEP 2: CONDUCT ACTIVITY

- » Ask participants to identify a business idea. If, for example, participants pick cooking oil, use this to identify the questions you need to ask regarding the four Ps and sources of information.
- » Ask participants what information they might gather regarding cooking oil? Ask them to be as specific as possible. Facilitate a discussion and write down all the possible questions on a separate flip chart sheet. Summarize the questions and make sure you repeat each one slowly for those who cannot read.
- » Tell participants that you will now go through the questions and relate them to the four Ps.
- » Then ask participants to identify the best possible source of information for each question.

Note: You want to ensure there are sufficient questions to address all four Ps: Product, Place, Price and Promotion.

4 MODULE 4: MARKETING

- » Summarize the completed market survey grid. Ask participants if they have any questions regarding the process. Answer all their concerns and reiterate that they have just prepared themselves to conduct a market survey.

Note: Make sure you repeat the questions and their categories multiple times so that people have a change to memorize the type of questions they can ask during their own survey.

- » Tell participants it is now time for them to prepare their own market survey for their own business.
- » Divide the participants into small groups of people who have identified similar business ideas. Ask each group to identify specific questions they can ask informants using the four Ps as their guiding principles.
- » Each participant should also specifically identify where—in which market or locality—she or he will approach information sources. Help each group with their brainstorming.
- » Give participants about 30 minutes to work in a group and then reconvene them to discuss their work in plenary.

Note: Some participants may not want to share their prospective information sources with others. Others may still be struggling to pinpoint where to go and whom to question for information. Still others may not have conceptualized their project ideas, and therefore lack direction completely. You will need to meet participants “where they are” and provide the necessary support. You can use the microscreening exercise to assist those that do not yet have a viable business idea.

STEP 3: PROCESSING

- » Facilitate a discussion using the following questions:

POSSIBLE FACILITATION QUESTIONS

- » Why is it important to conduct the survey?
- » How useful is this exercise?
- » What will participants do with the information once gathered?
- » What are some strategies to obtain information from potential clients? The answer you are looking for is that you will need to conduct an interview. Clients may include neighbors and participants, or they may be complete strangers.

STEP 4: SUMMARIZE AND CONCLUDE

- » As an entrepreneur, you need to know:
 - If people are interested in buying your product? That is, is there a need for your product?
 - What are people willing to pay for your product?
 - Should you change (improve) your product in any way to meet demand?
 - Where are the best places to sell your product?
- » Emphasize to participants that negative answers to questions asked during a market survey can be very useful because they signal potential risks in the marketplace for the product.
- » Suppliers are usually the easiest source of information, since business owners are their potential clients. Specifically, they should be asked about price range (usually there are certain discounts for bulk purchases).
- » Remind participants that they must obtain useful information from their market surveys before they can develop a marketing strategy.

MARKET SURVEY EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Collect important market information from clients, suppliers, competitors and other relevant sources regarding the main project idea related to the four Ps.
- » Begin to developing a marketing strategy.



Time: 4 to 6 hours (possibly one extra day if the first survey is not satisfactory)



ADVANCE PREPARATION

- » Plan the exercise so that a free day following the market survey falls on an actual market day in the community!
- » Flip chart
- » Construction paper
- » Markers

FACILITATION STEPS

- » All the necessary preparatory work for the market survey should be complete at this point. However, give participants the option to get together in the training hall before they begin the market survey. Some people may be more comfortable conducting their surveys together. They can also pick up writing material or review their market survey questions with the facilitators.
- » Remind participants that facilitators will be available in case they are faced with any problems during the day.

CAUTION

Some participants might feel under pressure because they have to do certain work at home, and they may be tempted to take this day off instead of doing market research. Emphasize that it will be very difficult for participants who do not complete a market survey to continue with the training.

MARKET SURVEY FEEDBACK SESSION



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Analyze the observations and information obtained during the market survey.
- » Make decisions regarding their business idea.
- » Progress further on the marketing strategy.



Time: 120 minutes



ADVANCE PREPARATION

- » Market survey checklist (see Annex 1)
- » Flip chart
- » Construction paper
- » Markers
- » Writing pads (one for each participant)

FACILITATION STEPS

STEP 1: INTRODUCE THE ACTIVITY

- » Welcome participants on their first day back from conducting their market surveys. Congratulate them for their hard work.
- » Tell participants that purpose of this session is to understand the information they have collected with their surveys. The information will help them refine their marketing strategy and business plan.
- » Begin by asking for a volunteer to share the information that he or she obtained. Use the Market Survey Result Checklist (Annex 1) to guide the discussion. Invite other participants to ask questions and clarify results.
- » Tell participants that you will not get into small groups and do a debriefing activity.

STEP 2: CONDUCT ACTIVITY

- » Organize the participants into groups of people with similar project ideas and ask them to report their survey findings to each other. Tell them to use the Market Survey Result Checklist as a guide.
- » Encourage all group members to listen actively, ask questions and share information gleaned during their market surveys.
- » Facilitators should walk around and help groups with the activity.

STEP 3: MAKING CONCRETE BUSINESS DECISIONS

- » Once market survey results have been shared, ask participants to start thinking about their choice of product or service that will form the basis of their business plans.
- » Then ask them to determine prices for their products. Ask them whether they will consider promotional price structures to launch the product.
- » Where will the product be produced and sold?
- » What other promotional measures have they planned?
- » Have all participants reconvene for general discussion.

Note: If the information collected is incomplete, a clear picture of supply and demand and other market considerations cannot be ascertained. Participants will need to collect missing information in the days ahead, or make educated guesses before elaborating their marketing strategies.

STEP 4: PROCESSING

- » Ask participants what assumptions they had about the ease or difficulty of collecting information from the market. Did these assumptions prove accurate?
- » Ask participants what worked well during the market survey? Why?
- » Ask participants to describe some difficulties they encountered?
- » Did they encounter anything unexpected or unusual while collecting information (about how, or where, or what kind of information they collected)?
- » Ask the participants how they will use the information they collected. How will it help them design their market strategies over the next few days?
- » Are there pieces of information still missing? Emphasize that those who need additional information should attempt to acquire it in the coming days.

- » Ask participants why there is a need for permanent monitoring of the market situation?
The answer you are looking for is that competitors might change their strategy due to new arrivals in the marketplace (change in strategy), or suppliers might change prices (opportunity seeking), or customers might change habits (information seeking), etc.

STEP 5: SUMMARIZE AND CONCLUDE

- » Summarize the discussion and conclude by previewing briefly the next sessions during which the discussions will be focused on calculating highest income months.

ANNEX 1: MARKET SURVEY RESULTS CHECKLIST

The participants should be able to provide (tentative) answers to the following issues:

	INFORMATION OBTAINED	OWN PS
PRODUCT	» Product specifications (own product/ competitors' products) » Raw materials (location, cost, quality, yearly fluctuations, etc.) » Demand (high, average or low among customers interviewed)	
PRICE	» Similar products (price per unit) » Buyers stated price points » Costs of raw material » Fluctuation in raw material prices (over the year, when and why)	
PLACE	» Number and location of competitors (in immediate area)	
PROMOTION	» Promotional measures preferred by competitors (decorations, signboards, etc.) » Discounts, value-added extras » competitors' reputations (prestige in the village)	
TECHNICAL ISSUES	» Additional training (if required, costs, duration) » Technical information/ resources available » Costs of machines and equipment (if required) plus transport costs, capacity of machinery, size of equipment, etc.	

Write the participant's marketing strategy (four Ps) in the far-right column!

CALENDAR EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Identify specific seasonal sales prices.
- » Identify and assess how seasonal prices influence yearly income.
- » Calculate income estimates.
- » Anticipate best sales months in the year.
- » Begin preparation of a business plan.



Time: 120 minutes



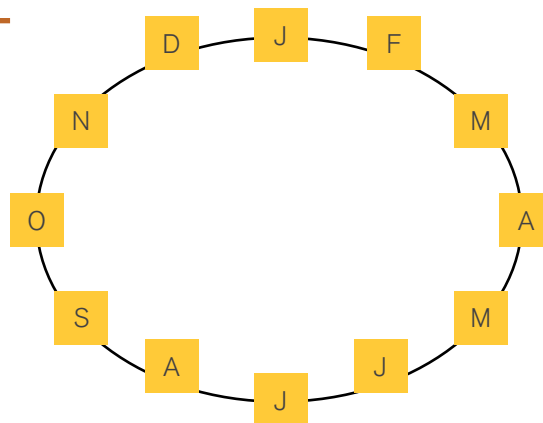
ADVANCE PREPARATION

- » 12 symbols representing the months in a calendar
- » Scoring Table (Annex 1)
- » Estimated Sales Price Chart (Annex 2)
- » Flip chart
- » Construction paper
- » Markers

FACILITATION STEPS

STEP 1: SEATING ARRANGEMENT

- » Divide participants into 12 groups. Each member of a group represents one month of the year. As much as possible, group together people with similar business ideas.
- » Ask participants to form a big circle while remaining in their group as shown below.



STEP 2: INTRODUCE ACTIVITY

- » Tell participants that each position represents one month of the year.
- » Ask participants to call out the 12 months of the year. For each month that is called out, place a symbol or numbered card in front of the position.
- » Explain to participants that the card with the present month represents the last position in this cycle, and the card with the following month is identified to be the starting point.
- » Ask participants to point to the next month, that is, the starting position. Place a yellow start (made from construction paper) in front of the starting point.
- » Ask participants to point to the current month. Reiterate that it is the ending position. Place a yellow circle in front of that position.
- » Tell participants that for each position, or month, they are going to brainstorm of the key features of that month (such as the season—rainy, dry, planting, harvesting—festivals, religious holidays, etc.).
- » Once these characteristics are identified, participants should think about how these characteristics might affect their products or businesses.
- » Explain that this exercise is going to be a friendly competition.

STEP 3: CONDUCT ACTIVITY

- » Ask members of each group to think about the month that they represent and the various project ideas they are considering. For each project idea in the group, ask members to brainstorm about events, conditions, or anything else that might affect a business or price of raw materials or a product during that month.
- » For each business, the group should determine an average selling price of a product or service in a given month and determine if this price is high, average or low compared to remaining 11 months of the year. Each group should be ready to justify their choices.
- » Ask a representative of the starting month (the month following the present) to share the price variation they anticipate over the course of 12 months for their selected product.

CEFE BUSINESS SKILLS TRAINING PROGRAM FOR EA\$E MEMBERS FACILITATOR GUIDE



- » For each month, the representative will say how the current price compares to the rest.
 - If the price of month one is higher compared to the current price, a representative of month one is asked to stand up.
 - If the price of month one is average compared to the current price, a representative of month one is asked to squat.
 - If the price of month one is low compared to the current price, a representative of month one is asked to remain seated.
- » This process will continue until price variations for all 11 months are presented.
- » Once complete, the facilitator should ask if participants in the various positions agree with the price variation presented by the group.
- » If the price is accepted and found to be accurate the group presenting their price variation will earn one point (Annex 2).
- » If participants disagree, they need to justify their dissent, the primary participant is given a chance to present a counter argument then a final decision is made. The team winning the argument will earn 3 points.
- » Once there is a group consensus, the facilitator will complete the table in Annex 1 for the first product and the agreed upon price fluctuations as shown below.

PRODUCT	1	2	3	4	5	6	7	8	9	10	11	12
OIL												

- » Repeat the process until every group has had a chance to present.

Note: Grocery shops, tea stalls or similar project ideas should be estimated in terms of number of customers per month.

- » Once the activity is completed, count the group scores and announce the top three winning groups. You can give a small prize (cash or non-cash items) to the winners.

STEP 4: PROCESSING

Facilitate a discussion using the following questions:

POSSIBLE FACILITATION QUESTIONS

- » How did you like this exercise (interesting, boring, fun, etc.)?
- » What was most surprising about the results of this activity?
- » Were you aware of these price fluctuations?
- » Why is it important to anticipate price fluctuations? The answer you are looking for is that it helps project business liquidity, production needs, personal cash needs, etc.
- » What do these fluctuations mean for your businesses in terms of sales and production? Price fluctuations help business owners to plan purchases of raw materials and sales of finished products.
- » What are some factors that affect price fluctuations? The answers you are looking for can range from climate to religious to regional festivities and other events. Emphasize that savvy entrepreneurs will buy when prices are low and sell when prices are high. This strategy works best for non-perishables and could result in good profit.
- » Ask participants if the prices of raw materials fluctuate as do the prices of products? The answer you are looking for it that the prices of raw materials also are affected by events and seasons.
- » Can you increase profit margin if you pay attention to the seasonal price cycles? Ask the participants if the coming month is the best month to start their businesses?
- » For those who answer yes, what are the preparatory steps required which, if ignored, might result in a delay in the start of these businesses?
- » Are some entrepreneurs in a hurry because timing is of the essence (for example, planting season), or should they wait for another year if they haven't planned adequately?

STEP 5: SUMMARIZE AND CONCLUDE

- » Summarize the discussion and conclude by letting participants know that in the next sessions they will continue to explore price fluctuations.

ANNEX 1: ESTIMATED SALES PRICE PER MONTH AND PRODUCT CHART

PRODUCT	1	2	3	4	5	6	7	8	9	10	11	12

ANNEX 2: SCORING TABLE

If required, make provision for more rounds (number of projects with similar cycles).

You may also include a column for the permanent Cash Winner Chart if provision has been made.

NAME	SYMBOL	RD. 1	RD. 2	RD. 3	RD. 4	RD. 5	TOTAL



Photo Credit: Elly Perkins

Module Five

FINANCE



EXERCISES

5.1 Cost Categories

5.2 Intelligent Chili Sales

5.3 Individual Cost Calculation

MY COST CATEGORIES EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Identify the different cost categories in a business.
- » Understand the cost implications of starting a business.
- » Continue business plan development.



Time: 120 minutes



ADVANCE PREPARATION

- » Symbols for cost category
- » Cost categories and yearly cost estimate sheet (Annex 1)
- » Flip chart
- » Markers
- » Construction paper (four colors, enough for all participants)

FACILITATION STEPS

STEP 1: INTRODUCE ACTIVITY

- » Welcome participants to a new activity. Tell them you will be switching your focus a little and thinking about the costs of running a business, or what is called the cost structure of a business.
- » Ask participants if they have ever calculated the cost of starting and running a business. Yes, ask why is it important to determine the cost of starting and running a business? Make sure you emphasize that it is important to determine cost structure because entrepreneurs cannot determine profit and loss without one.
- » Ask participants to pick a business and then begin the cost identification activity.

STEP 2: CONDUCT THE ACTIVITY

- » Ask participants to start identifying all the costs associated with the businesses they have selected. Encourage a wide ranging and free-wheeling discussion and write down all responses on a flip chart.
- » Once participants have finished brainstorming, ask them to see if some of the costs can be grouped into categories. Participants may not be able to identify the categories listed below, but help them to identify as many as possible:
 - Raw material
 - Promotion
 - Machinery
 - Transport
 - Packaging
 - Utilities
 - Labor (this is often forgotten by owners)
 - Loan Interest
 - Vocational or Technical Training
- » Once the categories have been identified, tell participants it is helpful to divide the categories into two areas: Production Cost and Sales Cost.
- » Ask participants to consider the list to determine which category falls into **production** and which into **sales**. Facilitate a discussion until participants are able to categorize as follows:

PRODUCTION COSTS

Raw materials
Machinery and equipment
Transport
Labor
Utilities
Interest
Training

SALES COSTS

Promotion
Transport
Packaging

Note: Transport is a tricky category. Facilitate a discussion to show that transport can occur as a production cost or a sales cost depending on the situation.

- » Group the categories under the two cost areas on the flip chart (as above).
- » Ask participants to consider whether their businesses might have a different structure than that outlined on the chart. Note their suggestions on a separate flip chart sheet.

- » Now that participants have identified the costs associated with starting and running a business, tell them it is time to determine the cost structure for their individual businesses.
- » Have participants with similar business ideas to form small groups. Then give each participant a print out of Annex 1 and explain the different categories.
- » Tell the groups that they should focus on one business and try to identify all the costs associated with that business. The printout is meant to act as a guide; participants don't have to follow it.
- » Facilitators should walk around the room and closely coach the groups. This is not an easy activity. Give participants plenty of time to complete the activity.

STEP 3: PLENARY PRESENTATION

- » In plenary, have one participant present their business and the costs associated with starting and running the business.
- » Encourage the other participants to comment and criticize constructively. The facilitators should also provide feedback.
- » Once the representatives of all the groups have presented their findings, draw participants' attention to the fact that all cost categories do not necessarily apply to all projects. For example, packaging is not necessary for selling vegetables in the market. Employees must be trained to work in tailoring, but not necessarily for farming.

Note: This can be a frustrating process for some participants, as most people are not used to thinking about costs in this much detail. Reassure participants that calculating costs gets easier with time and practice. But remind participants cost structure is a fundamental aspect of business planning.

STEP 4: PROCESSING

- » Ask participants what they have learned from this activity. Have they learned something new about the cost structure of their potential business?
- » How does cost influence the planning of the project as a whole? Show participants that cost reduction is usually the most important way to increase profit, because sales prices in a competitive market are usually quite stable. You can also emphasize the idea of product innovation in heavy competition.

- » What are some other ways that entrepreneurs can reduce costs? Facilitate a discussion and make sure participants identify at least some of the following notions (this is not an exhaustive list):
 - Bulk purchasing or pooling of purchases with other entrepreneurs can lower costs.
 - Investing in good quality production equipment (with longer life spans) can reduce costs over time: The practice will cut back on the maintenance costs and lessen the need for early replacement of equipment. In addition, low quality and cheap raw materials can cost almost as much as better quality counterparts.
 - Renting instead of buying equipment can bring savings.
 - Sharing transportation costs with other entrepreneurs can bring savings.
 - Knowing your market and doing research remains the best way to determine price structure.
- » Ask participants if an entrepreneur can ever justify high production costs. Facilitate a discussion and show that high production cost is justifiable only if the estimated income is also high or will increase as a result of the increased investment.

STEP 5: SUMMARIZE AND CONCLUDE

- » Summarize the discussion and conclude by letting participants know that in the next sessions they will calculate the actual costs for their businesses.

ANNEX 1: INTRODUCTION TO COST CATEGORIES

PRODUCTION COSTS		SALES COSTS	
ITEMS	PRICE	ITEM	PRICE
Raw Materials		Promotion	
SUBTOTAL		SUBTOTAL	
Machinery & Equipment		Transport	
SUBTOTAL		SUBTOTAL	
Transport		Packaging	
SUBTOTAL		SUBTOTAL	
Labour		Others	
SUBTOTAL		SUBTOTAL	
Utilities		TOTAL	
		GRAND TOTAL/ MONTH	
SUBTOTAL			
Interest		CALCULATIONS ARE NOT YET DONE DURING THIS EXERCISE	
SUBTOTAL			
Training			
SUBTOTAL			
Others			
SUBTOTAL			
TOTAL			

INTELLIGENT PEPPER SALES EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Understand profit margins depend on quantity of sales and price of raw materials.
- » Understand the need to reinvest in one's business.
- » Understand lack of liquidity and its effect on the growth of small businesses.
- » Anticipate and plan for the best times to buy and sell.



Time: 120 minutes



ADVANCE PREPARATION

- » Play money (in local currency colors and denominations)
- » Pepper Sales Chart (Annex 1) on construction paper
- » Pepper Sales Record (Annex 2) on construction paper
- » Group Records Chart (Annex 3) on construction paper
- » Paper bags with chili (to represent pepper products)
- » Prize for the winning team
- » Flip chart
- » Markers
- » Construction paper (four different colors)

FACILITATION STEPS

STEP 1: INTRODUCE ACTIVITY

- » Welcome participants to a new activity. Tell them you are going to build on past lessons to calculate the cost of starting a chili business. Explain that you will relate the story of Amina, owner of a chili business. Participants will need to carefully listen to the story and remember key costs incurred by Amina in order to calculate her total cost.
- » Have participants form small groups of four. Make sure each group has at least one person who can do mathematical calculations.

- » Give each group a copy of cost calculation sheet (Annex 1). Review the sheet and make sure all participants understand how to complete it. (It is okay if they choose not to use the form so long as they are able to calculate costs.)
- » This exercise is another friendly competition. The group that accurately estimates Amina's costs will get a prize.

STEP 2: CONDUCT ACTIVITY 1

Begin telling the story.

- » Amina operates a business selling chili peppers. She buys fresh chilis, dries them, and resells them within a month.
- » Amina is preparing to purchase her stock for the coming month. She has capital of \$10 (or the equivalent in local currency. You can change this amount to make it more appropriate to the local realities).

TIP: To make the story easy to visualize, give each group \$10 in play money, and ask them to count it.

Continue with your narration:

- » Amina has decided to buy 10 kgs of chilis, costing her \$6.
- » She then buys a bag to carry the chilis for \$1 and takes a taxi back home at the cost of \$2.
- » Finally, when she gets home, she washes the chilis and lays them out to dry on a mat. Once they have dried, she will divide the peppers into 20 small bags and take them to the market to sell at \$1 per bag.
- » Ask participants to discuss Amina's costs running a chili business. Remind them they should be thorough when calculating all the costs associated with the business. Give participants enough time to discuss and make simple calculations.
- » Ask each group to announce their figures and mark them on the flip chart.
- » Ask for volunteers to explain the calculations they have done. The answer you are looking for is as follows:
 - The approximate cost of running the chili business is around \$11: \$6 (for the chili) + \$1 (for the bag) + \$2 (for the taxi) + approximately \$1 (for the 20 small bags) + \$1 for labor and mat = 11USD

Note: Most participants will not factor in the cost of 20 bags, the mat and the labor. Make sure you direct participants to think about all costs and to factor in approximations if they are unaware of the actual costs. The figures above are approximations.

STEP 3: CONDUCT ACTIVITY 2

- » Tell participants you will now calculate Amina's profits.
- » Ask participants to define **profit**? Facilitate a discussion and make sure participants understand that profit is:

$$\text{SALES PRICE} - \text{TOTAL COSTS} = \text{PROFIT}$$

- » Ask participants what Amina can expect regarding the sales price of chili pepper over the next few months? The answer you are looking for is that the price will change over the next few months. Facilitate a discussion about how prices can change, and fill out the first column of the table in Annex 2.
- » Then ask participants to consider all of Amina's costs and then state an estimate of total costs to mark in the second column of the table in Annex 2.
- » You can ask participants to calculate the estimate using the play money instead of calculating the math. Make sure to work with participants at their own speeds.
- » Point out that price variation is common in all business sectors and that it is important to keep track of fluctuations.
- » Now ask participants to estimate the price Amina will be able to sell her chilis over the next six months. Facilitate a discussion to capture the realities of the market: There may or may not be a change in the sales price for her chilis.
- » It is time to calculate Amina's profit, if any. Tell participants that you will start with Month One. Read out the figures on the table for the first month. Ask for a volunteer to remind the group how to calculate profit.
- » Then ask participants to use play money to determine the profit margin for Month One. Give the group time to make the calculations and ask for volunteers to share what they have estimated.
- » Once profit for Month One is determined ask participants to calculate the Month Two. Repeat the same process as above.
- » Make sure that everyone is following the process and understands how profit is calculated. Complete the last column of the table in Annex 2.
- » Answer any questions that participants have and move onto the next activity.

STEP 4: CONDUCT ACTIVITY 3

- » Tell participants that Amina wants to expand into a new business at the end of six months.
- » Ask participants how much money she will have made by then, based on their previous calculations.
- » Help the group calculate the total capital available to Amina to start a new line of business.
- » Point out to participants that Amina started off with \$10 in capital and in six months was able to generate_____ (fill in the amount calculated) in profits.
- » Ask participants if this comes as a surprise to them. Why or why not? Would they have thought it possible to generate this much profit? Why or why not?
- » Ask participants if Amina can increase her profit? The answer you are looking for is that she can reduce costs.
- » Ask participants how Amina can reduce her cost? The answer you are looking for is that she can reduce her transportation cost by sharing taxis, or she can purchase a metal container to measure her chilis into bags provided by the customers.

STEP 5: SUMMARIZE AND CONCLUDE

- » Ask participant what they thought about the activity. What are some of the key lessons they have learned?
- » Summarize the key points and lessons learned in each activity, and answer any questions participants may have before moving on to the next activity.

ANNEX 1: PRODUCTION COST CALCULATION TABLE

TYPE OF EXPENSE	PURCHASING COST (SYMBOL)	PRODUCTION COST (SYMBOL)
EQUIPMENT/MACHINES		
SUBTOTAL		
RAW MATERIALS		
SUBTOTAL		
TRANSPORT		
SUBTOTAL		
PACKAGING		
SUBTOTAL		
LABOR		
SUBTOTAL		
GRAND TOTAL		

ANNEX 2: CHILI PRICES CHART

MONTH	CHILI PURCHASE PRICE (USD)	TOTAL OPERATION COST (USD)	SALES PRICE (USD)	PROFIT MARGIN (USD)
1	6	11	20	
2				
3				
4				
5				
6				

ANNEX 2: CHILI SALES RECORD CHART

MONTH	CAPITAL (USD)	PURCHASE (UNIT)	PURCHASES (COSTS IN USD)	SALES PRICE (USD)	PROFIT MARGIN (USD)
1	5.5	6	5.4	6.6	1.2
2	6.7	7	6.3	7	.7
3	7.4	6	6.6	9	2.4
4	9.8	9	9	10.8	1.8
5	11.6	11	11	12.1	1.1
6	12.7	12	12	19.2	7.2
7	19.9				

INDIVIDUAL PROFIT/LOSS ANALYSIS EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Be able to calculate business profit and loss.
- » Identify options for reinvesting profits.
- » Understand cash flow and liquidity.



Time: 150 minutes



ADVANCE PREPARATION

- » Yearly Cash Flow Chart (Annex 1) on flip chart
- » Yearly Income Forecast and Yearly Cost Calculations on flip chart (from previous sessions)
- » Flip chart
- » Construction paper
- » Markers
- » Play money
- » Calculators (for cofacilitators)

FACILITATION STEPS

STEP 1: INTRODUCE ACTIVITY

- » Welcome participants to a new activity. Tell them you are going to build on the previous activity and apply the lessons learned directly to their own individual business ideas.
- » Tell participants to form small groups of four. Make sure each group has at least one person who can do small mathematical calculations.
- » Give each group a copy of the cost calculation sheet in Annex 1. Go over the sheet and make sure all the participants understand how to complete it. It is okay if participants choose not to use the form so long as they are able to calculate the costs using play money.
- » Tell them you will begin by calculating the cost of running the business, then look at anticipated sales, and finally at profits.

STEP 2: CONDUCT ACTIVITY 1

- » Give participants enough start-up capital for their individual businesses and tell them that they have the option of using the play money or the cost calculation sheet to determine their total production cost.
- » Ask them to first discuss their individual ideas. The group can help individuals determine all costs associated with running their business. Remind them of the following cost categories:

PRODUCTION COSTS

Raw materials
Machinery and equipment
Transport
Labor
Utilities
Interest
Training

SALES COSTS

Promotion
Transport
Packaging

- » Coach each group as appropriate. Remind participants that they should try to be as thorough as possible when calculating all costs associated with their businesses. Give participants enough time to discuss and make simple calculations.
- » Once they have determined the cost of their businesses for the coming month, ask them to do the same for the coming six months. They should pay attention to potential price fluctuations that might affect overall cost of production. Point out that price variation is common in all business sectors. Make sure you take your time and work with the participants until everyone is comfortable with the exercise.
- » Ask each participant to announce the total amounts they have come up with and note them on the flip chart.
- » Ask for volunteers to explain the calculations they have done.

STEP 3: CONDUCT ACTIVITY 2

- » Tell participants you will continue to look at their individual businesses and determine profits.
- » Ask participants to recall the definition of profit. Make sure participants understand that profit is:

$$\text{SALES PRICE} - \text{TOTAL COSTS} = \text{PROFIT}$$

- » Ask participants to estimate the price they plan to set for their products over the next six months.
 - » Facilitate a discussion about the realities of the marketplace. Make sure participants take price fluctuation into consideration.
 - » Now tell them that it is time to calculate their potential profit. Start with Month One. Ask for a volunteer to demonstrate how profit is calculated. Ask another volunteer to demonstrate the calculation using play money.
 - » Once the first month is completed, ask participants to look at their own business and determine profits for the next six months.
 - » Move around and make sure that everyone is able to determine potential profits (using play money or calculating according to the table in Annex 2).
 - » Answer any questions that participants have and move on to the next activity.
-

STEP 4: CONDUCT ACTIVITY 3

- » Ask participants how much money they will have made by the end of the six months, according to their calculations.
 - » Now that participants have an idea of their overall costs and potential profits, have them think about reinvesting some of the profit back into the business.
 - » Have them discuss reinvestment in their small groups. (If participants choose not to share their ideas, they can do this activity alone.)
 - » Ask participants to think about ways they can increase their profit. The answer you are looking for is that they can reduce costs.
 - » Ask participants how can they reduce costs? Facilitate a discussion and note down all their ideas on a flip chart sheet.
-

STEP 5: SUMMARIZE AND CONCLUDE

- » Ask participants what they thought about the activity. What are some of the key lessons they have learned?
- » Summarize the key points and lessons. Answer any questions and move on to the next activity.

ANNEX 1: PRODUCTION COST CALCULATION TABLE

TYPE OF EXPENSE	PURCHASING COST (SYMBOL)	PRODUCTION COST (SYMBOL)
EQUIPMENT/MACHINES		
SUBTOTAL		
RAW MATERIALS		
SUBTOTAL		
TRANSPORT		
SUBTOTAL		
PACKAGING		
SUBTOTAL		
LABOR		
SUBTOTAL		
GRAND TOTAL		

ANNEX 2: CHILI PRICES CHART

MONTH	CHILI PURCHASE PRICE (USD)	TOTAL OPERATION COST (USD)	SALES PRICE (USD)	PROFIT MARGIN (USD)
1	6	11	20	
2				
3				
4				
5				
6				

ANNEX 2: CHILI SALES RECORD CHART

MONTH	CAPITAL (USD)	PURCHASE (UNIT)	PURCHASES (COSTS IN USD)	SALES PRICE (USD)	PROFIT MARGIN (USD)
1	5.5	6	5.4	6.6	1.2
2	6.7	7	6.3	7	.7
3	7.4	6	6.6	9	2.4
4	9.8	9	9	10.8	1.8
5	11.6	11	11	12.1	1.1
6	12.7	12	12	19.2	7.2
7	19.9				

INCREASE: 14.4 USD



Photo Credit: Elizabeth Pender

Module Six

ENDING SESSION



EXERCISES

6.1 Putting It All Together

6.2 Business Plan/Action Plan

PUTTING IT ALL TOGETHER EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Review the entire training.
- » Develop a business plan.



Time: 90 minutes



ADVANCE PREPARATION

- » Flip chart
- » Construction paper
- » Markers

FACILITATION STEPS

STEP 1: CONDUCT ACTIVITY

- » Welcome participants to the session and explain that the training program is about to finish.
- » Tell participants that during the next 90 minutes they will be given time to reflect on the entire training, to summarize their individual business ideas, and to put together a business plan.

FACILITATE A DISCUSSION

- » Facilitate a discussion and make sure that participants are prepared to discuss the following:
 - Strengths and personal characteristics
 - Environmental and family influence on business
 - Business idea generation
 - Four Ps and market survey
 - Cost calculation

- Income estimate
- Profit/loss estimation
- » Now ask participants to pay special attention to their income estimates. Facilitate a discussion and make sure participants have a good grasp on project-related issues.
- » Be sure participants are prepared to discuss the strategies of their competitors: Where are they located? What are the prices and quality of their products? What kind of promotions are they doing?
- » Make sure you move around the room and coach any participant that needs support.

STEP 2: THINGS TO KEEP IN MIND WHEN RUNNING A BUSINESS

Tell participants that you will review some factors that could influence their success as entrepreneurs.

- » **Income is only slightly higher (or even lower) than the estimated costs.** Several reasons might be the cause:
 1. Sales are too small: A slight increase might make the project profitable.
 2. Personal salary or general payroll is too high: Reduce number of employees or salary rates.
 3. Range of products is limited (tea stalls, grocery shops): Expand offerings or offer additional services.
 4. Loan interest and repayment eats up Profits: Start smaller, save continuously and grow slowly.
 5. Transportation is too expensive: Rethink location of suppliers or means of delivery of raw materials.
- » **Projected profit is too high.** Review salaries, profit margin, projected clients per month, projected sales per month, unforeseen losses, unusable raw material, other cost categories.
- » **Use of profit for private consumption.** Although this issue may not show up in the yearly cash flow report, but it is an inherent problem of many microbusinesses. Entrepreneurs must make sure to saved (for depreciation) and/or reinvestment.
- » **Equipment and raw material is not put to maximum use.** Check if equipment can be leased to others (e.g., fishing nets), if raw material can be used more efficiently or even resold, if equipment can be retooled to generate additional income.
- » **Loans are used for extraneous purposes.** Experience shows that loans secured by women for business are often usurped by their husbands for different purposes. If loans or even portions of loans are used for purposes other than their intended business, the project will suffer.

STEP 3: SUMMARIZE AND CONCLUDE

- » Ask participant what they thought about the activity. What are some of the key lessons they have learned?
- » Summarize the key points and lessons learned and move onto the next activity.

ACTION PLANNING EXERCISE



EXERCISE OBJECTIVES

By the end of the session participants will:

- » Plan specific steps toward starting their businesses within three months.



Time: 150 minutes



ADVANCE PREPARATION

- » Action planning chart (Annex 1) on flip chart paper
- » Flip chart
- » Construction paper
- » Markers

FACILITATION STEPS

STEP 1: INTRODUCE ACTIVITY

- » Welcome participants to a new activity. Tell them that you are going to take the business plan they have been developing and create a detailed action plan for starting their businesses.
- » Ask participants to define an action plan. Facilitate a discussion to show that an action plan is a detailed step-by-step plan for putting their business ideas into action.
- » Ask participants why they need to prepare an action plan. Facilitate a discussion and write down all ideas on the flip chart.
- » Ask participants who their family situations affect their business plans? Facilitate a discussion to show that social events, trips, school fees, repayments of personal loans, etc., will affect business activities. All these things need to be taken into consideration when developing the action plan.
- » Show participants that new business activities should be integrated into existing life patterns.
- » Ask participants if they have any examples of their own. Facilitate a discussion and encourage participants to cite examples regarding the social events in the coming three months.
- » Tell participants that you are now going to turn a business idea—rice trading—into an action plan.

6 MODULE 6: ENDING SESSION/ BUSINESS PLAN PRESENTATION

- » Ask participants to cite all the activities that need to be undertaken during the next three months to start a rice-trading business. As much as possible. Focus the discussion on business-related activities.
- » Ask what social events might affect rice trading. Let this be a free-flowing activity. Write participants' responses on flip chart and summarize their brainstorming activity. Make sure that activities such as loan applications, school fees, etc., are listed
- » Now inquire about the sequence of those activities: Which activity needs to be done first, second, etc.? Why?
- » Write the names of the three months following the training program into the prepared chart (Annex 1). Note that the four sub-columns represent the weeks of the months.
- » Ask for a volunteer to mark the first, second, third activities (and so forth) in sequential order on the flip chart.
- » Ask the rest of the participants to comment. Facilitate a discussion and come to a consensus on the sequence of the activities.
- » Ask participants how much time they think the first activity will require. Allow them to add a security margin so that planning does not become too tight.
- » Ask participants if there are any activities that can be done simultaneously, or if any will overlap.

STEP 2: CONDUCT ACTIVITY

- » Now ask all participants to work in groups with similar business ideas to fill out action plans (Annex 1).
- » Have the facilitators walk around and assist the groups.
- » Encourage participants to write/draw symbols for their activities (this way participants will remember the activities more easily).
- » Ask participants to put the activities into proper sequence. Inquire into the logic of their sequences (why is it like this?).
- » Emphasize that every action plan is only as good as and the entrepreneurs' ideas and convictions. Unforeseen events might change the whole plan and specific activities.

Note: Do not rush this process. Make sure you take sufficient time to make sure that the chart's structure is properly understood.

STEP 3: SUMMARIZE AND CONCLUDE

- » Ask participants how they feel regarding the accomplishment of this essential task. Make sure you are able to highlight that planning requires effort, but it gives the planner a definite advantage against competitors.
- » Thank participants for their efforts. Ask them to keep the action plans up-to-date and to bring these along for any follow-up meetings that will be announced.

ANNEX 1: INDIVIDUAL ACTION PLANNING CHART

ACTIVITY	SYMBOL	MONTH 1				MONTH 2				MONTH 3			
		WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 1	WEEK 2	WEEK 3	WEEK 4	WEEK 1	WEEK 2	WEEK 3	WEEK 4



International Rescue Committee Agency Headquarters

122 East 42nd Street

New York, NY 10168 U.S.A.

+1 212 551 3000

www.Rescue.org