WOMEN ENTERPRISE FUND

ENTREPRENUERSHIP DEVELOPMENT TRAINING MANUAL

A Training Package and Resource Kit for Trainers
This manual responds to the skills needs of the MSMEs by providing industry informed Training

WEF TRAINING TEAM
Table of Contents

GLOSSARY OF TERMS .......................................................................................................................... 5
ABBREVIATIONS ................................................................................................................................. 8
FOREWORD .......................................................................................................................................... 9
ACKNOWLEDGEMENT .......................................................................................................................... 11
INTRODUCTION TO THE MANUAL ...................................................................................................... 12
PART I .................................................................................................................................................. 14
   Introduction to Women Enterprise Fund ......................................................................................... 15
PART II .................................................................................................................................................. 20
MODULE 1: GENDER & ENTREPRENEURSHIP ................................................................................. 21
   Session 1.1: Sex & Gender ............................................................................................................. 21
   Session 1.2: Gender & Enterprise .................................................................................................. 25
   Session 1.4: Building-Business in Her Environment ..................................................................... 30
   Session 1.5: Taking a Look at Negative Sayings ........................................................................... 37
MODULE 2: ENTREPRENEURSHIP ................................................................................................. 39
   Session 2.1: What is Entrepreneurship? ......................................................................................... 39
   Session 2.2: The Role of Entrepreneurship .................................................................................... 47
   Session 2.3: Personal Assessment .................................................................................................. 51
MODULE 3: BUSINESS IDEA GENERATION ..................................................................................... 56
   Session 3.1: Business Idea Generation .......................................................................................... 56
   Session 3.2: Market Survey ............................................................................................................ 60
MODULE 4: DEVELOPING A BUSINESS PLAN .................................................................................. 61
   Session 4.1: Marketing .................................................................................................................... 61
   Session 4.2: Managing Your Money ............................................................................................... 76
   Session 4.3: Costing and Pricing ..................................................................................................... 81
   Session 4.4: Book-Keeping Tools .................................................................................................. 99
   Session 4.5: Management of Self and Others .............................................................................. 122
   Session 4.6: Writing Your Business Plan – The Business Model Canvas .................................... 135
PART II .................................................................................................................................................. 163
MODULE 1: BUSINESS MANAGEMENT & GROWTH ..................................................................... 164
MODULE 2: SUPPLY CHAIN MAPPING EXERCISE ....................................................................... 169
MODULE 3: SWOT ANALYSIS FOR BUSINESS .............................................................................. 172
MODULE 4: REVIEW BUSINESS PLANNING ..................................................................................... 176
PART IV .................................................................................................................................................. 185
   Additional Session 1: Business Support & Networking ................................................................. 186
Additional Session 2: Group Loans’ Management ................................................................. 194
Additional Session 3: Project Management & Development ............................................. 204
Additional Session 4: Value Chain Management ............................................................ 213
Additional Session 5: Digital Skills Training-WEF SOKO .............................................. 230
Additional Session 6: Financial Services ........................................................................ 234
  Session 6.1 Savings & Credit Cooperative Societies Operations ..................................... 238
  Session 6.2: Savings & Resource Mobilization ................................................................ 250

APPENDICES .......................................................................................................................... 255
Appendix 1: Market Survey Form/Tool ............................................................................. 256
Appendix 2: Template for Online Marketing Strategy ..................................................... 270
Appendix 3: Session Energizer .......................................................................................... 273
Appendix 4: Participant’s Information Form ..................................................................... 275
Appendix 5: Participant’s Profile-TOT Workshop ............................................................. 276
Appendix 6: Training Evaluation Form ............................................................................. 277
GLOSSARY OF TERMS

Access of agro-input and other inputs: Agricultural inputs include seeds and plant materials; crop protection; fertilizers; animal feed; veterinary medicines and services; agricultural equipment and machinery. They also include irrigation systems; knowledge/education as well as information and communication technology required by farmers in different levels of production.

Business Development Services: Business Development Services (BDS) refer to services such as training, technology transfer, marketing, assistance, business advice, mentoring, and information, which are aimed at helping small and micro entrepreneurs improve the performance of their businesses. Business development services have traditionally been called non-financial services, and are sometimes offered in conjunction with credit and other financial services.

Business Plan: This is a written document that explains an entrepreneur’s overall strategy, the objectives of the business and business aspirations. It can be used to secure legal authority and mobilize resources to launch the business. It should also show how the entrepreneur plans to attract and keep customers. A business plan is a dynamic document that needs to be reviewed on an on-going basis.

Break-even point: This describes the point where business costs are equal to business revenue, identified by the businesses fixed and variable costs. A break-even analysis is used to determine when the business will be able to cover all its expenses and begin to make profit.

Credit Access: The credit facility is used either for capital or expansion of the borrower’s enterprises. Credit involves a contractual agreement in which a borrower receives something of value either in cash or kind and agrees to repay the lender at some date in the future, generally with interest.

Creditors: This refers to suppliers and others you owe money to.

Depreciation costs: These are the costs of tools and equipment that involve repair or replacement due to age. The depreciation costs are calculated per month or per year.

Enterprise: This is an institutional unit in its capacity as a producer of goods and services. An enterprise may be a corporation or a non-profit institution or an un-incorporated enterprise.

Entrepreneurship: This is the capacity and willingness to undertake conception, organization, and management of a productive venture with all attendant risks, while seeking profit as a reward. In economics, entrepreneurship is regarded as a factor of production together with land, labor, natural resources, and capital.

Entrepreneurial spirit: This is characterized by innovation and risk-taking. It is an essential component of a nation's ability to succeed in an ever changing and more competitive global marketplace.
**Entrepreneur**: An entrepreneur is a person who identifies, develops and brings vision to life. This vision may be an innovative idea, an opportunity, or simply a better way to do something that will lead to successful enterprise with the capacity to grow and be sustainable.

**Financial Management**: This is the process of dealing with or controlling of the finances of a business / organization in order to achieve financial objectives.

**Fixed costs**: (Also called overhead costs or indirect costs). These are the costs that do not vary with the number of goods or services produced and/or sold by the business (rent, salary for regular workers in the business etc.). Fixed costs can change over time e.g. rent, cost of tools and equipment etc.

**Job**: This is defined as a task, assignment or a piece of work performed for wage, salary or kind.

**Knowledge Market** - Knowledge market is a setup which deals in the exchange of information and knowledge based products.

**Labor costs** can be fixed or variable. The time a business woman spends at her market stall everyday – no matter how much she produces or sells – are fixed labor costs.

**Loan**: This is a debt given by one person/organization to another person/organization at an interest rate, with a written undertaking that specifies amongst other things, the principal amount borrowed, the interest rate charged and the date of repayment (periodic or lump-sum).

**Market Opportunities**: A market opportunity means a potentially favorable condition in which a business can capitalize on a changing trend or an increasing demand for a product by a certain target group that has yet to be recognized by its competitors or if recognized, has not yet been met. For a market opportunity to exist, one must be able to identify who its potential customers are, the specific needs that need to be met, the size of the market, and its capacity to capture market share.

**Net Profit**: This is the total financial gain of a business' activities after deducting its total operational costs, expenses and taxes.

**Non Physical Markets/Virtual markets** - In such markets, buyers purchase goods and services through the internet. In such a market the buyers and sellers do not meet or interact physically, instead the transaction is done through the internet.

**Production**: Production encompasses the processes and methods used to transform tangible inputs (raw materials, semi-finished goods) and intangible inputs (ideas, information, knowledge into goods and services.

**Record keeping**: This involves writing down all the transactions arising from your business activities; organizing and storing all the documents, files and invoices. It also entails classifying and summarizing all transactions that take place in the business.

**Start-up costs**: These are the costs that are only incurred once to start the business such as business registration fee, fee to open a bank account, purchase of land etc.
**Stock**: This includes materials and/or products that are in the process of being sold or made as well as finished goods.

**Transportation**: The process of moving an item from point one to another. It also refers to the commercial enterprise of moving goods and materials.

**Value Addition**: Value Addition refers to the enhancement given to a product or service before offering it to the customers. It entails including some characteristics in the products and services that are more preferred in the market place.

**Variable costs**: (Also called direct costs and start-up costs). They are the costs that vary with the number of goods or services produced by the business (raw materials, salary of workers who are paid per unit of output or who can be hired as extra labor to deal with extra production/sales).
## ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviations</th>
<th>Meaning</th>
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<tbody>
<tr>
<td>AMSCO</td>
<td>African Management Services Company</td>
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<tr>
<td>CBO</td>
<td>Community Based Organization</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<td>CWES</td>
<td>Constituency Women Enterprise Scheme</td>
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<td>EA</td>
<td>East Africa</td>
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<td>FGDs</td>
<td>Focus Group Discussions</td>
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<td>GET Ahead</td>
<td>Gender and Enterprise Together Ahead</td>
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<td>HQ</td>
<td>Head Quarters</td>
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<td>ICDC</td>
<td>Industrial and Commercial Development Corporation</td>
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<td>ID</td>
<td>Identity Card</td>
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<td>IGA</td>
<td>Income Generating Activities</td>
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<td>ILO</td>
<td>International Labor Organization</td>
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<td>KCB</td>
<td>Kenya Commercial Bank</td>
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<td>KIE</td>
<td>Kenya Industrial Estates</td>
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<td>KV2030</td>
<td>Kenya Vision 2030</td>
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<td>LPO</td>
<td>Local Purchase Order</td>
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<td>MFI</td>
<td>Micro Finance Institution(s)</td>
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<td>MSME</td>
<td>Micro, Small and Medium Enterprise</td>
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<tr>
<td>NGO</td>
<td>Non-Governmental Organization</td>
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<tr>
<td>SACCO</td>
<td>Savings and Credit Cooperative</td>
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<tr>
<td>SDG</td>
<td>Sustainable Development Goals</td>
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<tr>
<td>SHG</td>
<td>Self Help Group</td>
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<tr>
<td>SIYB</td>
<td>Start and Improve Your Business</td>
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<tr>
<td>SMS</td>
<td>Short Messaging Service(s)</td>
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<td>WEF</td>
<td>Women Enterprise Fund</td>
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FOREWORD

Women Enterprise Fund is a KV2030 flagship project under the social pillar that seeks to make fundamental changes in four areas namely: (i) Opportunities; (ii) Empowerment; (iii) Capabilities; and (iv) Vulnerabilities. Further, the Fund plays a critical role in promoting the realization of the 1st and 5th Sustainable Development Goals (SDGs) on poverty reduction, gender equality and women empowerment. The Fund pursues these by providing accessible and affordable enterprise loans and business support services notably capacity building.

This Entrepreneurship Development Training Manual aims at enhancing enterprise development among women who want to start or are already engaged in small-scale businesses. The training package highlights essential entrepreneurial skills that can be applied when starting or improving an individual, family or group business. It addresses the practical and strategic needs of low-income women entrepreneurs by strengthening their basic business and people management skills. It shows women how to develop their personal entrepreneurial traits and obtain support through groups, networks and institutions dealing with enterprise development.

It draws upon generic tools such as those developed by the ILO’s GET Ahead, Start and Improve Your Business (SIYB) and the Social Finance Program, Equity Financial Education tool, Hand in Hand (EA) Business Training, CARITAS Business Manual, Coca Cola 5by20, Entrepreneurship Development Training Manual etc.

The training package promotes the economic and social empowerment of women alongside men in enterprises:

- **Economic empowerment**: Poor women engaged in Income Generating Activities (IGAs) usually have had few opportunities for education and training. In most cases, they often have a double or triple workload, combining economic activities with looking after the household and providing family care. They need management and negotiation skills to transform their survival activities into more productive and profitable businesses in the long run.

- **Social empowerment**: Women in many countries have a lower status as compared to men. Many women stay close to the home, lack contacts with the outside World, and face mobility and networking constraints. Women need confidence-building and networking skills, to be able to trust their own judgment and rely on their own strengths.

The focus of this training package is mainly on women entrepreneurs but does not exclude men. Whether the women are part of a family business or they run a business alone or with a group of other women, their success often depends on gaining the support and encouragement of their families. Therefore, this package is not gender-specific. The training methods are participatory and action-oriented using real life experiences of participants and building upon these for Modules on better business management.
Business women and men, as well as their business associations provide vital contributions to the training. This training package is designed as a structured set of manual grouped into four parts with practical learning-by-doing exercises that highlight business development. It brings together sources and ideas for exercises that have proved to be effective and appropriate for low-income women with little formal education as well as for top managers in the public and in the private sector. These groups face similar constraints when it comes to management, such as little time and balancing the many pressing demands on their energy and attention.

The development of this manual is a major success for the Fund’s work in empowering women in the informal sector.
ACKNOWLEDGEMENT

The authors would like to thank the Advisory Board of WEF who provided guidance on the development of this manual; the CEO who gave his insights and took part in the whole process; the Managers, colleagues, and co-trainers from the field for their valuable input. As well as business women who offered valuable feedback from the FGDs.

We also would like to acknowledge AMSCO (African Management Services Company), Coca Cola Foundation University, the ILO’s (International Labour Organization), Hand in Hand East Africa, Global Alliance for Clean Cookstoves etc. Acknowledgement also goes to Ahead for Women in Enterprise and NGO leaders in charge of poverty reduction and women empowerment strategies as well as business consultants, gender experts and many more persons and organizations who shared their experiences and materials with us.

We wish to appreciate everybody who in one way or another devoted time and effort to develop this training package.
INTRODUCTION TO THE MANUAL

The aim of this training manual is to empower women economically. It enhances women’s understanding on the rationale for providing equal opportunities in enterprise development as well as helping to create a business mind among women entrepreneurs. Women entrepreneurs have the power to generate income through their enterprises and play a significant role in driving local and national economies. The entrepreneurship training provided in this manual attempts to offer the requisite management, leadership and communication skills that will contribute to business success.

Women Enterprise Fund (WEF) has reviewed this training manual to respond to the changing skills, requirements, and needs for entrepreneurs. It has also aligned the manual to the strategic direction that the Fund is taking. The manual also centers on building the capacity of trainers charged with the responsibility of delivery of training, by focusing largely on their presentation and communication skills. The manual contains activities for diverse groups and it is the trainer's role to identify which activities suit the target group that is being trained, based on the training needs assessment conducted prior to the training.

Unlike the previous manual, this manual uses a Phased Approach with modules targeting first time borrowers or start-ups who will go through Parts I and II on Introduction and Entrepreneurship Start-up Training, repeat borrowers or growth oriented businesses will cover Part III which covers Entrepreneurship Business Growth Training, and Part IV covering Additional Entrepreneurship Training for need basis. Critical thinking and problem solving; initiative and entrepreneurialism; and collaboration across networks are key skills and attributes necessary for the 21st century successful worker and this training manual endeavors to bring out these skills over the duration of training.

To allow transfer of knowledge and skills gained during the training, each module ends with a "take home" exercise for each of the participants. The exercises are expected to be completed before the next module and will enable the trainer gauge the participants' understanding. The trainer will incorporate ice-breakers and energizers all through the training as is necessary to keep the participants alert and also make the training enjoyable. The field monitoring will also indicate the training impact on the business enterprise, so that apparent and foreseeable risks are mitigated well in advance.

The participants will be provided with a handbook for ease of reference after the training. To mitigate the challenge of participants missing sessions because they already have the manual, handouts will be provided based on the module being covered and this will form part of the participants' workshop outputs.

a. Goals of the training

The goals of this training are:

1. To support the target group to make better spending, savings and investment decisions;

2. To enable the target group to reach their financial goals;
3. To promote women’s economic decision-making capacity within the households.

b. Objectives of the training

This manual has been designed to enable the participants of mixed gender, age groups and literacy levels access business entrepreneurship skills. This in turn shall contribute to the growth and management of their medium and small micro-enterprises; create jobs and improve their livelihoods.

The modules in this manual will impart skills to the participants and enable them to:
1. Learn how to generate, identify and select business ideas;
2. Practice the preparation of a specific, comprehensive business plan tailored to reach individual’s entrepreneurial needs;
3. Explore the linkages between an entrepreneur and all the resources and services needed to successfully launch and sustain a small enterprise; and
4. Understand saving as a life skill for individual livelihood and business improvement.
5. Be better managers and stewards.

c. Training Approach and Methodology

This manual has been designed with the adult learner as the main recipient and therefore applies the action learning and experiential approach. The trainer will build on existing knowledge of the participants as a catalyst to create new learning experiences as they transform and discover their talent and skills into structured and tangible knowledge and skills. The methodology allows for maximum flexibility and innovation whilst allowing diversity of views and respect for opinions as appropriate.

Peer-to-peer learning is important as its recognition will help accelerate the learning of those who need additional support that the trainer cannot provide within the available time. Case studies, role-plays, group discussions, brain-storming, songs and dances, pictures, presentations, ice breakers, field visits, demonstrations and plenary discussions will all be used in various modules. Each trainer will have a good grasp of these methodologies. These techniques will help to actively involve participants in the learning process and make learning interesting for adults.

A participant manual will be availed at the end of the training to help reinforce the content covered and allow the participants to put into practice what they have learnt.
PART I

INTRODUCTION TO WOMEN ENTERPRISE FUND
# Introduction to Women Enterprise Fund

1. Welcome and introductions where necessary.
2. Write the topic *Introduction to Women Enterprise Fund (WEF)* on the Flipchart

## Materials Required:
1. Flip chart
2. Brochures
3. Pictorial banners
4. Strategic plan document
5. Marker pens

## Objective:
By the end of this session participants will be able to:
1. Understand the vision, mission, mandates, products and services of WEF’s;
2. Access and utilize WEF services

## Learning Outcomes:
1. The aim of the training module is to enable practicing and potential entrepreneurs gain specific knowledge on the Women Enterprise Fund, the products and services available and the benefits available to empower and support the growth of their enterprises

## Training Methods:
- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

## Time | ACTIVITIES
--- | ---
**60 Min** | **Introduction**

Women Enterprise Fund (WEF) is a Semi-Autonomous Government Agency in the Ministry of Public Service, Youth and Gender Affairs in Kenya; that was established in August 2007 under Vision 2030 flagship project. It’s mandated to offer accessible and affordable credit to support women to start and/or expand businesses for wealth and employment creation besides offering business support services. It also implements SDG goals.

The Enterprise Training module forms a foundation of WEF social mobilization and enterprise training manual. The purpose of this module is to:
- (Provide a framework or WEF Enterprise Development training; and,
- Provide a reference for the WEF Trainers

1. Recap of vision, mission and objective
   - Create a group of 4-5 participants taking into consideration their literacy levels.
   - Encourage all participants to contribute to the discussions.
   - The groups to appoint a group leader to take notes and make a presentation there after

**Tip:** Provide adequate materials for the participants.
The trainers to walk round and oversee the discussions
2. Share reflections in plenary
   - Once the time is up ask the group leaders to make brief presentations.
   - Trainers to facilitate a debate to enable participants reflect on their presentations.
   **Tip:** Trainers follow the presentations.
   Trainers to ensure active participation.

3. Wrap up session
   - Thank participants for their active participation throughout the session and attention to the rules set.
   - Recap that the first session has achieved important milestone:
     - What WEF is?
     - Vision and mission of WEF.
     - WEF Mandates.
     - Products and processes of WEF.
   **Tip:** Before presentation by participants, consider making use of energizer.

### 5 Min CHECK LEARNING POINTS

Please mention what you have learnt during this session.

Ensure the following are mentioned:
- WEF Mandates
- Products and Services
- Tender Security
- SACCO Funding

### 5 Min SUMMARY

i. WEF services are available and can be accessed at the HQ, regional and constituency offices.

ii. **Vision** of WEF- To transform Kenyan women by enhancing their contribution to sustainable socio economic development.

iii. **Mission** of WEF- To mobilize resources for sustainable access to affordable financial and business support services to empower Kenyan women.

iv. WEF product and services include: CWES, LPO Financing, Bid bonds, SMS banking, Sacco Funding (updated version).

v. WEF runs with five mandates.

**Homework:**

Individual groups to craft vision and mission for their group and their identified business project.
Handout 1: WEF Mandates & Products

Mandates of WEF

i. Offers access to affordable credit.
ii. Capacity building for women beneficiaries.
iii. Supports and facilitates local and international marketing of goods and services produced by women entrepreneurs.
iv. Supports and facilitates development of linkages between women owned enterprises and big companies.
v. Facilitates and supports investment infrastructure for women enterprises

WEF Products and Requirements

1.1 CWES (Constituency Women Enterprise Scheme)

Features
1. It has administrative fees of 5%
2. Targets female of 18 years and above.
3. Loan levels: 1st loan- Kshs.100,000; 2nd loan- Kshs. 200,000; 3rd loan- Kshs. 350,000;
4th loan- Kshs. 500,000; and Project Based Funding- Kshs. 750,000.
4. Loans are re-paid within one year
5. Group composition should be at least 70% women. The officials should all be women.

Requirements
1. Certified copies of group registration certificate.
2. Certified copy of WEF training certificate.
3. List of group members with IDs & Tel Nos.(Members must have signed against their names)
4. Certified copies of members IDs/Passports.
6. Signed Minutes of group meeting resolving to borrow from WEF.
7. Map/Sketch to the business location.
8. Project Viability Report (By WEFO/Regional/County Officers).

1.2 LPO Financing (Local Purchase Order)

This is a product tailored to serve women by increasing their capacity to respond and adequately service tenders thus meeting supply requirements. The loan is available to individual women owning enterprises or women owned companies.

Eligibility Criteria for LPO Financing

a. Must have a certificate of registration/incorporation.
b. For companies, groups and partnerships membership composition must be at least 70% women and 30% men or 100% women.
c. A valid Local Purchase Order/Local Service Order duly signed and stamped by the procuring entity (Blue chip companies and public institutions).
d. Maximum amount available for this loan is Kshs. 2 Million per individual.
e. Duly signed Letter of Undertaking and acceptable collateral as per Fund’s Credit Policy.
   Acceptable collateral are bank guarantees, shares or motor vehicles.

f. Customer bank account details.

g. 5% administration fee of the loan amount.

h. Tenure of 90 days.

i. Certified copy of a letter by the supplier (loaned) to the procuring entity requesting
   payment through Women Enterprise Fund.

j. Amount financed is 60% of LPO amount.

LPO Application Documentation Checklist

<table>
<thead>
<tr>
<th></th>
<th>Fully completed loan application form</th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td>Copies of National IDs and PIN Certificate for all borrowers, and company in case of a Limited company</td>
</tr>
<tr>
<td>3</td>
<td>Two most recent passport sized photographs</td>
</tr>
<tr>
<td>4</td>
<td>Business/company registration certificates</td>
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<tr>
<td>5</td>
<td>Bank statements for the last 6 months</td>
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<tr>
<td>6</td>
<td>Copies of proposed securities and recent valuation report (for all amounts)</td>
</tr>
<tr>
<td>7</td>
<td>Resolution to borrow in case of a Limited Company capturing amount, purpose, payment period and security offered (must be sealed)</td>
</tr>
<tr>
<td>8</td>
<td>Borrower’s personal guarantee/ directors’ (if company)</td>
</tr>
<tr>
<td>9</td>
<td>Customer account details form - must be KCB account (sealed in case of Ltd Co.)</td>
</tr>
<tr>
<td>10</td>
<td>Cr 12 in case of a Ltd company</td>
</tr>
<tr>
<td>11</td>
<td>Articles and Memorandum of Association for Ltd companies</td>
</tr>
<tr>
<td>12</td>
<td>Audited accounts for the last 3 years for companies (for amounts above Kshs. 500,000)</td>
</tr>
<tr>
<td>13</td>
<td>Copy of AGPO certificate</td>
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1.3 Tender Security / Bid Bonds

The Fund has initiated the tender security/bid bond product to aid women in Kenya in achieving requirements of the tendering process. This is a product that is available to individual women who may own enterprises or women owned companies. The bid bonds are issued at WEF head office i.e. Social Security House 12th Floor Eastern Wing Block A. The bid bonds are currently being offered to women within Nairobi County and its outskirts.

The application process:

i. Filling of bid bond application form.

ii. Payment of the commission (original bank slip required).

iii. Borrower to sign indemnity terms and conditions (as will be in the application form).

iv. Issuance of bid/tender security.

The terms and conditions for the bid bonds:

i. Minimum amount: Kshs.50,000

ii. Maximum amount: Kshs.2,000,000

iii. Security: N/A

iv. Discount margin (Loan to value): N/A

v. Validity/Maximum tenure: As will be specified in the tender
vi. Interest rate: N/A  

vii. Commitment/Processing fee: Commission of 1% of the guarantee amount subject to a minimum of Kshs. 1,000  

viii. Credit Reference Bureau: Clean Report

NB: This provision targets the following public procuring entities as defined in the public procurement and disposal act: Government ministries, SAGAs, public schools, county governments, the judiciary, national assembly and public hospitals.

The commission for the bid bond can be paid through KCB collection account no. 1111394423 and MPESA using pay bill 830800 -Account Number: 340000301

1.4 Sacco Funding

SACCO Funding has become a favorite way of lending for most groups. The trainer will give an overview of SACCO Funding and its key elements. The Trainer will endeavor to invite a representative of a SACCO in Module 12.5 on business support to enrich the knowledge of participants.

Key Messages from Module 1

vi. WEF services are available and can be accessed at the HQ, regional and constituency offices.  

vii. Vision of WEF- To transform Kenyan women by enhancing their contribution to sustainable socio economic development.  

viii. Mission of WEF- To mobilize resources for sustainable access to affordable financial and business support services to empower Kenyan women.  

ix. WEF product and services include: CWES, LPO Financing, Bid bonds, SMS banking, Sacco Funding (updated version).  

x. WEF runs with five mandates.
PART II

ENTREPRENEURSHIP START-UP TRAINING
## Module 1: Gender & Entrepreneurship

### Session 1.1: Sex & Gender

1. Welcome and introductions where necessary.
2. Recap the previous session where necessary.
3. Write the topic *Sex & Gender* on the Flipchart

### Materials Required:

1. Whiteboard and markers, or Flipchart with papers
2. Green-colored cards for each participant
3. Yellow-colored cards for each participant

### Objective:

By the end of this session participants will have:

1. Examined the difference between gender and sex, as well as the meaning of concepts central to gender equality.
2. Examined the situation with regard to gender equality in enterprise management in their communities.

### Learning Outcomes:

1. Discuss the difference between sex and gender
2. Promote the idea that gender roles are not fixed: they can be changed if people are willing to change them.
3. Be able to mainstream in their business operations.

### Training Methods:

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

### Trainer Preparations:

1. Prepare A5 Green and Yellow coloured papers

### Time | ACTIVITIES
--- | ---
50 Min | 1. *Ask participants to break into small groups.*  
   *Explain:*  
   - When you see a man or a woman, do you recognize the difference? Write three things to help recognize the difference between a man and a woman.
   - Now, what kind of responsibilities does each have and what activities do they do? Write down a couple of responsibilities and activities that a man has/does and that a woman has/does.

   2. *Have each group share answers with the larger group.*

   3. *Ask participants if they know the difference between sex and gender. Build off their answers to explain:*  
   - Men and women are a different sex, meaning they are biologically different so they do not look the same. The biological characteristics of being male or female are genetically determined. Gender refers to widely shared ideas and
expectations concerning men and women. Gender is socially constructed, meaning that society attaches certain expectations and roles to each of them based on their sex. In different societies men and women have different responsibilities and do different activities.

4. Give each participant two cards, one yellow and one green (for example). Explain that yellow will represent “sex” while green will stand for “gender.” Read aloud the statements below, and ask participants to raise the corresponding color to answer whether they think it is a biological/sex role (S) or a gender/cultural role (G).

5. Guide a discussion on responses for each statement.
   - Women may get pregnant. (S)
   - Women are responsible for the household and children. (G)
   - Men have short hair, women have long hair. (G)
   - In [country], a lot of women earn less than men. (G)
   - Women may breast-feed. (S)
   - Women are often traders or accountants in many countries, but in other countries these jobs are always done by men. (G)

6. Discuss:
   - What differences do we observe between men and women?
   - Which ones are related to their sex (biological) and which ones are related to their gender (social/cultural)?

Remember

Socio-economic factors, sexual orientation, age, education, ethnicity and religion can also lead to oppression or discrimination. These social identities, along with gender, intersect and overlap in systems of oppression, domination or discrimination. While it is important to recognize what the situation is for women and men in general, it is also necessary to know that their race, sexual orientation, age, etc. affects their situation.

5 Min CHECK LEARNING POINTS

Please mention what you have learnt during this session.

Ensure the following are mentioned:

- **Sex** is the biological attributes that defines being female or male.
- **Gender** refers to the socially given roles, activities, responsibilities, needs and characteristics connected to being male (masculine) or female (feminine) in a society at a given time.
- Gender roles, norms and stereotypes determine how women and men, girls and boys are perceived and how they are expected to act.

5 Min SUMMARY

- There are biological and social differences between men and women. Sex
refers to the biological differences between women and men that are universal and genetically determined. Gender refers to social differences and relations between the sexes that are learned, change over time, and can vary widely within and between societies.

- There are usually gender values, norms, and stereotypes—expectations of what men and women should be like and what they are capable of doing.
- Gender roles are learned and can vary widely within and among cultures depending on socio-economic factors, age, education, ethnicity, and religion.
  - Every culture has gender-based norms about what is suitable behavior and what are suitable activities.
  - Gender roles are the different responsibilities of women and men in a given culture or location, or the different tasks that women and men undertake.
- Gender roles can and do change fast, if people want to and/or if their situation changes.

**Homework:**
Individual members to describe how gender related issues have affected their business operations and how they plan to do business differently after the lessons.
Handout 1: Session Summary

1. Sex is the biological attributes that defines being female or male.
2. Gender refers to the socially given roles, activities, responsibilities, needs and characteristics connected to being male (masculine) or female (feminine) in a society at a given time.
3. Gender roles, norms and stereotypes determine how women and men, girls and boys are perceived and how they are expected to act.

GENDER TERMS

There are many terms containing the word “gender”

1. Gender
2. Gender equality
3. Gender equity
4. Gender sensitive/aware
5. Gender mainstreaming
6. Gender neutral
7. Gender blind
8. Gender failures
9. Gender specific
10. Gendered sector
11. Gender analysis
12. Gender planning
13. Gender budgeting
14. Gender gap
# Session 1.2: Gender & Enterprise

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *Gender & Enterprise* on the Flipchart

## Materials Required:

1. Whiteboard and markers, or Flipchart with papers

## Objective:

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

1. Identify gender issues affecting women and men in business
2. Create a list of strategies for addressing the identified gender issues in business.

## Learning Outcomes:

Ability to:

i. Explain diversity and difference in women's experiences due to **sex and gender**
ii. Identify ways in which gender is a social construct.
iii. Compare and contrast women's experiences in the paid and unpaid labor force.

## Training Methods:

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

## Time

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
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<td>35 Min</td>
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</table>

1. **Have participants break into groups of three. Explain:**
   - As a team, imagine you are setting up a cookstove or fuel business. Each team must choose to establish and run this business as women or men.
   - What is your team’s business? Do you all want to be women or men? Remember, choose one per group!
   - List five key points on the benefits of operating your business as your chosen gender.

2. **Let a representative from each group share their reasons with everyone. Write the key points under men/women on a flip chart or whiteboard.**

**Note for Trainer:**

If all the groups want to be men or women it may be best to assign teams to be one or the other in order to have diversity.

3. **Go through responses from each of the groups to establish similarities and differences. Ask if all activities are applicable to both men and women.**

4. **For any that are not applicable to both, ask the group:**
   - Is this not applicable because of gender (norms, roles or stereotypes causing constraints) or sex (biological/physical constraints)?
   - What opportunities/constraints does this create?
   - What strategies would help deal with those opportunities/constraints?
Discussion: Cookstoves, Gender & Business

1. Ask participants:
   - What are your actual Cookstove or fuel businesses?
   - Are women or men often involved in Cookstove or fuel businesses in your area?
     - What types of activities do women and men conduct in their Cookstove or fuel businesses?
     - If they are different, why is that?
   - What are some benefits to being a woman in a Cookstove or fuel business?

2. Use examples from the handbook introduction to reinforce to the women why they are particularly good for the Cookstove and fuel businesses (e.g., women as the cooks understand the needs and desires of other women users; women understand their family’s needs and look out for the health of their family members; and women are able to communicate well to other women, especially regarding household products and can reach new consumer segments).

Note for Trainer:

If there has already been group work, ask that different groups are formed and that different people present back to the main group this time. Keep track of who has presented to the main group, so that you can ensure everyone takes a turn.

5 Min  CHECK LEARNING POINTS

Please mention what you have learnt during this session.

Ensure the following are mentioned:
- Benefits of operating your business as your chosen gender.
- What opportunities/constraints this creates?
- What strategies would help deal with those opportunities/constraints
- Why women are particularly good for the Cookstove and fuel businesses

5 Min  SUMMARY

- Both men and women can succeed in business.
- Many benefits and challenges can apply to both men and women.
- Where there are different opportunities/constraints, there are strategies that can help you deal with them. Sometimes the constraints are gender related
- These constraints are not necessarily set in stone.

Homework:

1. Describe current gender related different opportunities/constraints faced,
2. Suggest strategies that can help you deal with them.
### Session 1.3: The Multiple Roles of Women in Society

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Explain to participants that you will be exploring the different roles that women often play in society. Divide the participants into four small groups and ask them to think of their community.</td>
</tr>
<tr>
<td>2. Have two groups to imagine a day in the life of a woman and the two other groups to imagine a day in the life of a man.</td>
</tr>
<tr>
<td>3. Ask both the groups (woman/man) to either draw or creatively perform the tasks performed by women and men in a household over 24 hours.</td>
</tr>
<tr>
<td>4. Discuss with participants: What did they notice about the tasks that women do? What about the tasks that men do?</td>
</tr>
<tr>
<td>5. Build off of the discussion to explain the concept of ‘gender division of labor’:</td>
</tr>
<tr>
<td>- Gender division of labor involves who does what in a given community and the different roles and responsibilities of women and men that are assigned by society. Work can be divided into three main categories: productive, reproductive, and community work.</td>
</tr>
<tr>
<td>- <strong>Productive Work:</strong> Involves the production of goods and services for consumption and trade (e.g., farming, fishing, employment and self-employment). When people are asked what they do, the response is most often related to productive work, especially work which is paid or generates income. Both women and men can be involved in productive activities, but for the most part their functions and responsibilities will differ according to the gender</td>
</tr>
</tbody>
</table>
division of labor (what is expected of men and women in a certain community). Women’s productive work may be less visible and less valued than men’s.

- **Reproductive Work:** Involves the care and maintenance of the household and its members including bearing and caring for children, food preparation, water and fuel collection, shopping, housekeeping and family health care. Reproductive work is not often recognized as real work. It often falls to women and girls.

- **Community Work:** Involves the organization of social events, ceremonies and celebrations, community improvement activities, participation in groups and organizations, local political activities and so on. This type of work involves considerable volunteer time and is important for communities. Both women and men engage in community activities, although there may be different tasks expected for men and women here as well.

6. **Discuss:**
- What do you think of the different tasks that men and women do in your own community? (Gender division of labor)
- Do you think the roles of men and women in society are changing?
- How can women be better supported?

**Notes for Trainer**

- Session 1.3 and 1.5 can be particularly valuable for male participants. Having men in the community be sensitized to the various roles women play and their own biases towards women is important in creating a more supportive and enabling environment for women’s empowerment.
- These exercises are important for women as well. For 1.5, women may not be aware of their own biases that can negatively impact both their self-image and their image of other women.

**Remember:**

Women’s workload can prevent them from participating in projects or activities. When they do participate, extra time spent on farming, producing, training or meetings means less time for other tasks, such as childcare or food preparation.

<table>
<thead>
<tr>
<th>5 Min</th>
<th><strong>CHECK LEARNING POINTS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Please mention what you have learnt during this session.</td>
</tr>
</tbody>
</table>

Ensure the following are mentioned:

- Gender division
- Productive Work
- Reproductive Work
- Community Work:
- Changing roles of men and women in society.
- How can women be better supported.
<table>
<thead>
<tr>
<th>5 Min</th>
<th>SUMMARY</th>
</tr>
</thead>
</table>
|       | ▪ The specific tasks and activities attributed to men and women are done according to the socio-economic and cultural context. Both men and women have multiple work roles.  
▪ Women, men, boys and girls are likely to be involved in all three areas of work (productive, reproductive, community). In many societies, however, women do most of the reproductive and much of the productive work. |

**Homework:**

- Describe current roles played in community
- Plans for improving engagement in community
Session 1.4: Building-Business in Her Environment

1. Welcome and introductions where necessary.
2. Recap the previous session where necessary.
3. Write the topic Building-Business in Her Environment on the Flipchart

Materials Required:
1. Whiteboard and markers, or Flipchart with papers
2. 13 wooden cubes (or matchboxes if cubes are not available) for the person who will play the role of the entrepreneur
3. Marker pens and sheets of blank paper

Objective:
By the end of this session participants will have:
1. To understand the relationship between a business and its environment
2. To make participants aware of pressure from the environment and ways of dealing with it

Learning Outcomes:
1. Knowledge about the relationship between a business and its environment
2. Ability to manage pressure from the environment and apply different ways of dealing with it

Training Methods:
- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

Trainer Preparations (Room Arrangement):
- a. Semi-circle or U-shape
- b. 1 table
- c. 5 chairs in the centre of the training room for use during step 2

Time | ACTIVITIES
--- | ---
60 Min | 1. **Before the Session Starts:**

1.1. The trainer should read the exercise beforehand and select the number and type of roles to be used during the play (usually 5 to 7) (see training aid 8.1). Select the role of the woman entrepreneur and the 4 to 6 supporting actors from the briefing notes. The briefing notes for the role-play can be changed and adapted to suit the environment and social context of the participants. Select roles in line with the local context. For example, if a ‘village chief’ would be a typical person of influence in the given region (see briefing note 4), this role should be selected for use during the role play. In other cases, such roles can take the form of a leader of a political party or a district administration officer.

1.2. Identify volunteers for the role play before the start of the exercise: a woman to play the woman entrepreneur and 4 to 6 players for the other roles. Brief the players before the session on their roles as follows:

1.2.1. The role play is about a woman entrepreneur who will build her

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1 Adapted from Get Ahead for Women in Enterprise, International Labour Organization, African Edition
business. While she is doing this, she will receive visitors who will try to influence her.

1.2.2. Each player should prepare for their role-play by themselves and not discuss their role with anybody else as this will make the role-play more realistic and interesting.

1.2.3. The role play will start with the woman entrepreneur building her business. The other players will be asked to go outside the room at the start of the role-play and a trainer will ask them to enter one by one. When they enter the room, each actor should introduce themselves to the woman entrepreneur and the group. For example: “I am your sister and I ….?” Or “As leader of your community, I ….”

1.2.4. During the role-play, the actors can talk to each other but they are not allowed to touch the woman entrepreneur or to give her any physical help in building her business.

1.2.5. Ask all players to speak loud and clearly so that everybody can hear them during the role-play.

1.3. Give a separate further briefing to the woman who will play the entrepreneur:

1.3.1. She will build her business by making a high building with cubes or boxes.

1.3.2. She will have 13 cubes, which represent the money invested in her business. She has received 3 cubes as a loan from the bank, 3 were borrowed from a friend and 7 represent her own savings.

1.3.3. She should try to make a building that is higher than 10 cubes, because only from the 11th cube onwards will she start to generate profit.

1.3.4. She should decide in advance the number of cubes and boxes that she wants to use for the building (business goals).

1.3.5. She will have 10 minutes for the construction of her building.

1.3.6. If the building falls down during the role-play, she should start the reconstruction.

1.4. Brief the other players as follows. For literate players: Give each player the written brief which describes their role. For illiterate groups: Brief each person orally and repeat the role a few times. Make sure that each player understands what to do and how to behave.

**Step 1:**

Introduce the exercise as an opportunity to find out how business women can deal with support and pressure from the outside.

Invite the woman who will play the entrepreneur to the front and ask the other actors to wait outside the training room until they are asked to enter the room.

Explain the following in plenary:

i. The woman will play the role of an entrepreneur who will build a business with cubes or boxes.

ii. Each cube represents money invested in her business.
| iii. | The initial capital investment is represented by 13 cubes. 3 cubes have been loaned from a bank, 3 have been borrowed from a friend and 7 are the savings of the business woman. |
| iv. | The woman has to construct a building of at least 10 cubes high. From the 11th cube onward she will start to generate profit in her business. The higher the building, the more profit she will make. |
| v. | The woman entrepreneur will have 10 minutes for the construction of her business. |

Ask the group to observe the role-play performance in silence and in particular to observe carefully the entrepreneur’s behaviour.

**Step 2**

Start the role-play by asking the entrepreneur to tell the group how many cubes she plans to use, and write it down on a flipchart. When she has given the number she can start building her enterprise. Once she has started building, invite the other actors to enter the room one by one.

When the time is up (10 minutes), ask the actors to stop the role play. Before asking them to go back to their seats, ask the entrepreneur to count the number of cubes or boxes which represent her business and whether she reached her goal or not.

Finish the role-play by thanking the actors for their performance and ask them to go back to their seats.

**Remember**

The trainers should not interrupt the role-play by giving new instructions. The training team can only ask the participating actors to speak louder so that the whole group of participants can hear what is going on.

**Step 3**

The role players and the observers will analyse the entrepreneur’s behaviour with regard to the establishment of her goals, her decision making and her negotiation skills. They will comment on the disruptions arising from external influences and pressures, and relate this to their own experience.

Discuss the following with the participants:

a) Starting with the woman entrepreneur, ask the players how they felt. Was it easy or difficult? Are they happy or disappointed with the result? What was their main challenge?

b) Ask the other participants what they observed.

c) Was the role-play realistic? Could it happen with women entrepreneurs in their community and society? If not, what would be different?
d) Would the pressure be the same for male entrepreneurs? If not, what would be different?

e) How should an entrepreneur behave in such a situation? Is there any advice to be given? What options does she have to act?

f) Could/should she reach a certain degree of independence from these external influences? If yes, how could this be achieved?

g) What can be learnt from this exercise and what can be improved in one’s own entrepreneurial behaviour?

Step 4

Discuss the following when concluding the exercise:

a) It is important for people to realise that a small-scale woman entrepreneur is permanently confronted with solving problems and overcoming difficulties that come up in her personal and social life. If these factors are not well managed, they can exert a very negative influence on her performance in business.

b) In many societies there is pressure on business women and men to use their business money and resources for other social purposes in the family or community. Sometimes women find it hard to say ‘no’, because they have been socialized to help others. All business people need to keep in mind that too many ‘give aways’ will harm the business and lead to business failure. Therefore, it is important that business people learn to prioritize: Can their business afford a contribution to something else? How important is the contribution in achieving their economic and social goals in life?

5 Min  CHECK LEARNING POINTS

Please mention what you have learnt during this session.

Ensure the following are mentioned:

i. A small-scale woman entrepreneur is permanently confronted with solving problems and overcoming difficulties that come up in her personal and social life.

ii. If these factors are not well managed, they can exert a very negative influence on her performance in business.

iii. In many societies there is pressure on business women and men to use their business money and resources for other social purposes in the family or community.

iv. Sometimes women find it hard to say ‘no’, because they have been socialized to help others.

v. 
<table>
<thead>
<tr>
<th>5 Min</th>
<th>SUMMARY</th>
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<tbody>
<tr>
<td></td>
<td>i. All business people need to keep in mind that too many ‘give aways’ will harm the business and lead to business failure.</td>
</tr>
<tr>
<td></td>
<td>ii. Therefore, it is important that business people learn to prioritize: Can their business afford a contribution to something else? How important is the contribution in achieving their economic and social goals in life?</td>
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</tbody>
</table>

**Homework:**

Individual members prepare a list of who makes requests from her that may or affects her business operations and how she plans to do deal with them differently after the lessons.
**Handout: Briefing Notes for Roleplays**

<table>
<thead>
<tr>
<th>Briefing Note 1 For The Entrepreneur’s Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>You will build your business by making a high building with cubes or boxes. You will have 13 cubes, which represent the money you can invest in your business. You have collected these 13 cubes as follows:</td>
</tr>
<tr>
<td>- 3 cubes received as a loan from the bank</td>
</tr>
<tr>
<td>- 3 cubes were borrowed from a friend</td>
</tr>
<tr>
<td>- 7 represent your own savings</td>
</tr>
<tr>
<td>The building has to have a height of at least 10 cubes, but you should try to make a building that is higher than 10 cubes, because only from the 11th cube onwards you will start to generate profit. You should decide in advance the number of cubes or boxes that you want to use for the building (business goals).</td>
</tr>
<tr>
<td>You will have 10 minutes for the construction of your building. If the building falls down, you should start the reconstruction. During the time you are constructing the business, you will receive visitors.</td>
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<table>
<thead>
<tr>
<th>Briefing Note 2 For The Sister’s Role</th>
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<tbody>
<tr>
<td>You urgently need money to have your baby treated in the hospital. Your attempt to obtain a bank credit has failed, since the bank considers that your new employment is not stable enough to guarantee the loan repayment. Therefore, you turn to your sister who is starting a new business by making a building of wooden cubes/boxes. Each cube represents a specific amount of money. You need to ask her for 2 or 3 cubes to help you to save your baby.</td>
</tr>
<tr>
<td>You have to convince your sister about the immediate danger of the situation. She should help you in her responsibility as an elder sister. You must get the money as soon as possible.</td>
</tr>
<tr>
<td>As soon as the trainer calls you, you should enter and present yourself so that the other participants (other actors, as well as observers) understand who you are. You can talk with your sister but you cannot touch the cubes.</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Briefing note 3 for the friend’s role</th>
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</thead>
<tbody>
<tr>
<td>A close friend of yours has begun a business by making a building of cubes/matchboxes. The cubes represent the money that your friend wants to invest in her business. 3 of the cubes were borrowed from you. It has not been easy for you to help your friend with this loan, as you had to postpone an urgent and important repair to your house in order to help her.</td>
</tr>
<tr>
<td>Due to this situation, you are very interested to see that your friend’s business makes a profit, and the sooner the better. However, you know that it is only when she has piled up 10 cubes/boxes that your friend can begin to make a profit. Therefore, you should insist that your friend constructs the building as fast as possible. You cannot help her physically in the business. However, you can advise and guide her orally during the role-play performance. You would like her to pay you back as soon as possible as you want to repair your house before the rainy season, which is due to start soon.</td>
</tr>
<tr>
<td>As soon as the trainer calls you, you should enter and present yourself so that the other participants (other actors, as well as observers) understand who you are. You can talk with your friend, but you should not touch the cubes.</td>
</tr>
</tbody>
</table>
**Briefing Note 4 for the village chief's role**

You are a village chief and you want to construct a public water supply system in the village. The water supply system would benefit the whole community.

You know a woman entrepreneur in your village, who is constructing a business made of cubes or matchboxes. Each cube represents a share of the total investment in the business.

You are interested to get 2 cubes to invest in the public water supply system. You are the chief of the community and everybody is used to following your instructions.

As soon as the trainer calls you, you should enter and present yourself so that the other participants (other actors, as well as observers) understand who you are. You can talk with the business woman but you should not touch the cubes.

**Briefing Note 5 For The Husband's Role**

You and your wife have had a very hard life up to now with only little luxury. Your wife has recently started a small business, and you are very hopeful that you will be able to have things such as a big television and nice clothes. You think it is taking too long for this to happen, and you are becoming impatient waiting to see the business providing good profits to help you improve your life. You should tell your wife what you want, and that you want to see the business generate profits as soon as possible.

The entrepreneur, your wife, is trying to create a business building of cubes/matchboxes. Her initial capital is 13 cubes/boxes. She will have to build the tower with more than 10 cubes/boxes in order to be able to obtain profits, and to make sure she does not fail in the business. She has 10 minutes to accomplish the task.

Talk with your wife, but do not touch the cubes.

**Briefing note 6 for the brother's role**

Your daughter is pregnant and needs to get married as soon as possible. Therefore, you need money for the wedding.

Your sister has recently started a small business in the village where you live. She is building the business by making a high building with cubes or boxes. The cubes represent money. Your sister's initial capital is comprised of 13 cubes. Her business will only begin to have profits after she has made a tower made of 10 cubes.

Your task is to ask for 2 cubes to help you with the wedding expenses. You need it urgently and you do not want to wait. Be insistent. You can advise or guide her verbally, but you cannot touch the cubes.

As soon as the trainer calls you, you should enter and present yourself so that the other participants (other actors, as well as observers) understand who you are. You can talk with your sister but you should not touch the cubes.

**Briefing Note 7 For The Banker’s Role**

Your client is creating a business building of cubes or boxes. Each cube represents a share of the total investment. You have provided the entrepreneur with a ‘bank credit’ of 3 cubes. A loan repayment of 1 cube was due last week, but the entrepreneur did not make this repayment. As a banker you do not want to lose the bank’s money. Therefore, your interest is that the entrepreneur constructs the building as solidly as possible and, at the same time, pays the repayment.

If the entrepreneur does not seem to follow your advice, you can threaten to recall your bank credit. The first priority of any business is to repay the bank credit, and in the eyes of the law you are the first person to be repaid before all others.

You can give any advice you want, but you are not allowed to touch the cubes.
Session 1.5: Taking a Look at Negative Sayings

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic **Taking a Look at Negative Sayings** on the Flipchart

**Materials Required:**
1. Pencils and paper
2. Sticky notes

**Objective:**

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

1. Identify and analyze negative sayings about women and men

**Learning Outcomes:**

1. Ability to begin changing negative perceptions and saying about women.
2. Overcome the biases faced?

**Training Methods:**

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

**Time** | **ACTIVITIES**
--- | ---
35 Min | 1. **Present examples from different countries of sayings which are derogatory to women. Some examples:**

- It’s bad luck to have a daughter (Myanmar)
- An ideal woman is a good wife and a wise mother (Japan)
- A woman’s place is in the kitchen (Papua New Guinea)
- Women spread rumors (USA)

2. **Ask participants to write down (on sticky notes) one or two well-known sayings or stereotypes from their own countries or communities that reflect negative attitudes towards women.**

3. **Write the following headers on a piece of paper taped to the wall or on a white board.**

- Men are better than women
- Sons are more valuable than daughters
- Behaviors / responsibilities of women
- Other

4. **One by one, have participants read out the sayings they wrote and put them on the wall or whiteboard under the heading theme they think is most accurate for each saying.**

5. **Now ask participants to write down one or two well-known sayings or stereotypes from their own countries or communities that reflect negative attitudes towards**
6. Write the following headers on a piece of paper taped to the wall or on a whiteboard.

- Women are better than men
- Daughters are more valuable than sons
- Behaviors / responsibilities of men
- Other

7. As before, have participants read out the sayings they wrote and place them under the heading they think is most accurate.

8. Discuss with the group:

- Where do these sayings come from and why do they persist?
- Do they have positive value in society? If so, what?
- How might these sayings be harmful to women? To men? To society?
- What are the barriers to change these sayings? What are ways to begin changing these sayings?
- What can women, as business owners and leaders, do to overcome the biases they face?

<table>
<thead>
<tr>
<th>5 Min</th>
<th>CHECK LEARNING POINTS</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Please mention what you have learnt during this session.</td>
</tr>
<tr>
<td></td>
<td>Ensure the following are mentioned:</td>
</tr>
<tr>
<td></td>
<td>- Examples of negative sayings that persist in communities.</td>
</tr>
<tr>
<td></td>
<td>- Possible positive value of negative saying in society?</td>
</tr>
<tr>
<td></td>
<td>- Possible harmfulness negative sayings to women? To men? To society?</td>
</tr>
<tr>
<td></td>
<td>- Barriers to changing negative saying?</td>
</tr>
<tr>
<td></td>
<td>- Ways to begin changing negative sayings?</td>
</tr>
<tr>
<td></td>
<td>- What women, as business owners and leaders, can do to overcome the biases they face?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5 Min</th>
<th>SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Negative sayings persist in communities.</td>
</tr>
<tr>
<td></td>
<td>Negative sayings can be harmful to women? To men? To society?</td>
</tr>
<tr>
<td></td>
<td>There are ways to begin changing negative sayings?</td>
</tr>
<tr>
<td></td>
<td>Women, as business owners and leaders, can overcome the biases they face?</td>
</tr>
</tbody>
</table>

Homework:
None
Session 2.1: What is Entrepreneurship?

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *What is Entrepreneurship* on the Flipchart

Materials Required:

1. Large open wall
2. Flipchart or Blackboard
3. Markers or chalk, pens and pencils
4. Tape or glue stick
5. Tables
6. Notebook

Objective:

By the end of the session the participants will be able to describe Entrepreneurship and it’s 3 major component. (The 3Es)

Learning Outcomes:

1. Describe entrepreneurship
2. Describe the Personal Entrepreneurial Characteristics of a successful entrepreneur
3. Draw a list of major resources that are found in operational enterprise
4. Identify important external factors that can affect the enterprise

Training Methods:

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

Time | ACTIVITIES
---|---
15Min | **Step 1.**
Recap the previous session
Introduction to the session: Ask the participants what they understand by entrepreneurship, develop a plenary discussion. Simply agree with them that it is engagement in some business venture

1hr | **Step 2.**
Through participation spell the word entrepreneur on the flip shown on diagram 1
After writing the word, Ask the participants to think back of a very successful entrepreneur in their market area and describe their character. Ask every participant to use every letter to describe the person. Give them 10 minutes and then discuss Module 2: Diagram 2 in detail, ensuring that ALL the characteristics are clearly understood

1hr | **Step 3.**
Ask the participant in plenary
What are the major resources that we can get in an enterprise/business? Give participants enough time for free discussion.
Tell the participants there is an easy way of remembering the resources and that many of them start with the letter M:
Give at least 2 examples e.g. Money, Materials, Machines. Write these on flipchart.
Give participants time to jot them down, let them contribute as you write them on flip.
Write as many as possible.
Summarize the session by re-organizing the Ms in the 4 categories in Module 2: Diagram.

<table>
<thead>
<tr>
<th>1hr</th>
<th>Step. 4.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Explain to the participants that an entrepreneur runs an Enterprise in a given environment with numerous external factors. Give an example e.g. religious, legal, Ask them to mention as many factors and jot all of them down. Summarized by organizing the external factors as drawn in Module 2; Handout 4</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>30 min</th>
<th>CHECK LEARNING POINTS</th>
</tr>
</thead>
</table>
| Please mention what you have learnt during this session. Ensure the following are mentioned:  
- Characteristics of successful entrepreneur  
- The major resources in an Enterprise using the Ms  
- The External factors that are found in the environment where an Entrepreneur runs their Enterprise |

<table>
<thead>
<tr>
<th>15min</th>
<th>SUMMARY</th>
</tr>
</thead>
</table>
| Entrepreneurship therefore is the process of taking moderate and calculated risk to start, organize and manage a business venture for growth and expansion. It has 3 major components duped the 3Es  
Ask the participants to think about the following Questions:  
Do you have what it takes to start business in regard to:  
1. Do you have PECs that can make you a successful Entrepreneur?  
2. Can you mobilize adequate resources to start an Enterprise?  
3. Can you study and manage the External environmental factors and Start an Enterprise?  

*Read the following statement aloud to summarize:*  
“Everything that you have listed is your own entrepreneurial observations! You already have an idea of entrepreneurship and the necessary characteristics to be a successful entrepreneur. Entrepreneurship is a huge opportunity to respond to a need, create employment, help your community, create competition, and improve the job market; all while being your own boss and pursuing a personal interest! With this program you will learn the tools, skills, and necessary steps to start a business and be a successful entrepreneur!” |

<table>
<thead>
<tr>
<th>Home Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>Find out the role of entrepreneurship in Kenya and its impact on women. Get success stories and role models</td>
</tr>
</tbody>
</table>
### Handout 1: Diagram 1 (Group Activity)

<table>
<thead>
<tr>
<th></th>
<th>THE CHARACTERISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td></td>
</tr>
<tr>
<td>T</td>
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<td>R</td>
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<td></td>
</tr>
<tr>
<td>E</td>
<td></td>
</tr>
<tr>
<td>U</td>
<td></td>
</tr>
<tr>
<td>R</td>
<td></td>
</tr>
</tbody>
</table>
Handout 2: What is Entrepreneurship?

An Entrepreneur is he/she who sees, seeks and/or creates a business opportunity. Then she turns that Business opportunity into a feasible and viable enterprise. She operates the enterprise as an owner-manager. She manages the enterprise resources from start-up, growth and expansion and endeavors to make profits. She successfully navigates the enterprise through turbulences of the external factors to achieve the enterprise Goals and Objectives and his personal vision.

They are usually nurtured by derailment, role model and or apprentice. Entrepreneurship therefore has three major components and these are; the entrepreneur himself and his characteristics, the second is the Enterprise that he operates. The third component is the External factors where the entrepreneur operates his enterprise. These can be summarized as the 3Es of entrepreneurship.
### Handout 3: Personal Entrepreneurial Characteristics (The PECS) of a Successful Entrepreneur

<table>
<thead>
<tr>
<th>THE CHARACTERISTICS</th>
</tr>
</thead>
<tbody>
<tr>
<td>E Enterprising, Educated, Engaging,</td>
</tr>
<tr>
<td>N Networking, Negotiator, Nurture,</td>
</tr>
<tr>
<td>T Trustworthy, Time manager, Thoughtful, Transparent,</td>
</tr>
<tr>
<td>R Risk taker (Moderate), Re-evaluates, Re-examines, Records</td>
</tr>
<tr>
<td>E Enthusiastic, Ethical behavior, Expands, Experienced, Explains,</td>
</tr>
<tr>
<td>P Persistent, Positive, Polite, Persuasive, Progressive, Passionate, Proactive, Principled,</td>
</tr>
<tr>
<td>R Realistic, respectful, Resourceful, Resilient,</td>
</tr>
<tr>
<td>E Energetic, Evaluator</td>
</tr>
<tr>
<td>N Neutral (AGIP, Any Government in Power),</td>
</tr>
<tr>
<td>E Economical</td>
</tr>
<tr>
<td>U Understanding</td>
</tr>
<tr>
<td>R Reliable, Result oriented</td>
</tr>
</tbody>
</table>
**Handout 4: Enterprise Resources**

These are the resources the entrepreneur as the owner-manager must manage and make product and services that satisfy customers’ needs and wants. She must endeavor to ensure that the enterprise grows and expands and makes profits.

<table>
<thead>
<tr>
<th>THE RESOURCE</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 MARKETING</strong></td>
<td></td>
</tr>
<tr>
<td>1.1 Masses</td>
<td>This is the total population of a market area</td>
</tr>
<tr>
<td>1.2 Market</td>
<td>The existing and potential customers</td>
</tr>
<tr>
<td>1.3 Marketing</td>
<td>The activities finding out customers’ needs/wants. marrying the customer to the product services</td>
</tr>
<tr>
<td><strong>2 PRODUCTION</strong></td>
<td></td>
</tr>
<tr>
<td>2.1 Materials</td>
<td>Raw materials/stocks to make products and/or services</td>
</tr>
<tr>
<td>2.2 Machines</td>
<td>Machinery, tools and equipment for manufacturing</td>
</tr>
<tr>
<td>2.3 Mansions</td>
<td>The premises and site of enterprise</td>
</tr>
<tr>
<td>2.4 Maintenance</td>
<td>Supervision, spares and repairs</td>
</tr>
<tr>
<td><strong>3 MANAGEMENT</strong></td>
<td></td>
</tr>
<tr>
<td>3.1 Mission</td>
<td>Vision, Mission, Goals and Objectives</td>
</tr>
<tr>
<td>3.2 Management</td>
<td>Management and administrative systems</td>
</tr>
<tr>
<td>3.3 Man</td>
<td>People, their number, skills, knowledge and qualifications</td>
</tr>
<tr>
<td>3.4 Morale</td>
<td>Motivation, mentoring and enabling working environment</td>
</tr>
<tr>
<td>3.5 Methods</td>
<td>Operations, monitoring stems, controls and accountability</td>
</tr>
<tr>
<td>3.6 Minutes</td>
<td>Time management and planning</td>
</tr>
<tr>
<td>3.7 Media</td>
<td>Internal and external communication systems</td>
</tr>
<tr>
<td><strong>4 FINANCE</strong></td>
<td></td>
</tr>
<tr>
<td>4.1 Money</td>
<td>Past, current and future cash flow</td>
</tr>
<tr>
<td>4.2 Mansions</td>
<td>Value of asset base</td>
</tr>
<tr>
<td>4.3 Margins</td>
<td>Profits and dividends</td>
</tr>
</tbody>
</table>
Handout 5: External Factors

The entrepreneur must navigate the enterprise through the turbulences of the external environmental factors. She should be able to influence and/or adjust to external factors.

<table>
<thead>
<tr>
<th>EXTERNAL</th>
<th>THE DETAILS EXTERNAL FACTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECONOMY</td>
<td>The economic trends in the Country, County or State, area of operations</td>
</tr>
<tr>
<td>LEGAL</td>
<td>The legal and regulatory environment</td>
</tr>
<tr>
<td>DOMESTIC</td>
<td>Family, relatives and community expectations</td>
</tr>
<tr>
<td>OPPOSITION</td>
<td>Those who oppose the industry and the competitive environment and possible discrimination</td>
</tr>
<tr>
<td>RELIGION</td>
<td>Religious world view</td>
</tr>
<tr>
<td>ENVIRONMENT</td>
<td>Available resources, fauna, flora and geographical factors or natural calamities</td>
</tr>
<tr>
<td>TECHNOLOGY</td>
<td>Scientific and technological trends</td>
</tr>
<tr>
<td>INSECURITY</td>
<td>Theft, Robbery and general local and national insecurity</td>
</tr>
<tr>
<td>SOCIETY</td>
<td>Their expectations, traditions and cultural practices</td>
</tr>
<tr>
<td>ATTITUDE</td>
<td>The communities world view</td>
</tr>
<tr>
<td>POLITICS</td>
<td>Political trends, inclinations and influence</td>
</tr>
<tr>
<td>LOYALTY</td>
<td>Supporters of the enterprise industry</td>
</tr>
<tr>
<td>ASSOCIATION</td>
<td>Relationship with Enterprise peers</td>
</tr>
<tr>
<td>CONSUMERISM</td>
<td>Consumer organizations their policies and expectations</td>
</tr>
<tr>
<td>EVENTS</td>
<td>The history, current status and futures trends</td>
</tr>
</tbody>
</table>
Handout 6: Session Summary

Entrepreneurship therefore is the process of taking moderate and calculated risk to start, organize and manage a business venture for growth and expansion.

It has 3 major components dubbed the 3Es, The Entrepreneur, the Enterprise and External factors.

Do you have what it takes to start business in regard to:

1. Do you have PECs that can make you a successful Entrepreneur?
2. Can you mobilize adequate resources to start an Enterprise?
3. Can you study and manage the External environmental factors and Start an Enterprise?

“Everything that you have listed, are your own entrepreneurial observations! You already have an idea of entrepreneurship and the necessary characteristics to be a successful entrepreneur. Entrepreneurship is a huge opportunity to respond to a need, create employment, help your community, create competition, and improve the job market; all while being your own boss and pursuing a personal interest! With this program you will learn the tools, skills, and necessary steps to start a business and be a successful entrepreneur!”
### Session 2.2: The Role of Entrepreneurship

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *The Role of Entrepreneurship* on the Flipchart

#### Materials Required:

1. Large open wall
2. Flipchart or Blackboard
3. Markers or chalk, pens and pencils
4. Tape or glue stick
5. Tables
6. Notebook

#### Objective:

By the end of the session the participants will be able to describe the role of entrepreneurship in Kenya

#### Learning Outcomes:

1. The impact of entrepreneurship in economic development in Kenya
2. What impact has entrepreneurship had on women empowerment in Kenya?
   - Social cultural
   - Technology
   - Conservation
   - Family

#### Training Methods:

1. Group Discussion
2. Plenary presentation
3. Panel discussions

#### Time | ACTIVITIES
--- | ---
**10Min** | **Step 1.**
Recap the previous session
Introduction to the session  Ask the participants to mention the major key learning points from the previous session
Introduce the role of entrepreneurship in Kenya by asking participants.
What role do you think entrepreneurship has played in Kenya in regard to empowering women

**1hr** | **Step 2. Group work**
Divide the participants into groups

**Task:** Based on their homework discuss the role of entrepreneurship in Kenya in regard to women empowerment. Use the following headings:
- Economic
- Political
- Social Cultural
- Technology
- Enterprise development
- Employment creation

**1hr** | **Step 3.**
Group plenary presentation
Panel discussions
### 20 min CHECK LEARNING POINTS

Please mention what you have learnt during this session.

Ensure the following are mentioned as key roles of entrepreneurship in Kenya:

1. Employment.
2. Creation of wealth.
3. Exploitation of market.
4. Utilization of resources.
5. Increased competition.
6. Increases purchasing power.
7. Increases innovation.
8. Reduces imports.
11. Reducing rural to urban migration.
12. Reducing foreign dominance of the economy.
13. Promotion of technology.
14. Promotion of entrepreneurial culture.

### 5 min SUMMARY

- Entrepreneurship is the process of identifying a business opportunity in the market, organizing and getting the necessary resources, combining factors of production and starting up a business towards maximization of profits with a view of becoming a successful business person. Entrepreneurship therefore involves choosing a practical business idea, investing resources to put the business idea into action and managing the business to success.

- Entrepreneurship has had great impact on women empowerment; many women have started, improved and expanded enterprises, which have made them, create wealth. Hence they have created self-employment and for other Kenyans.

### 5 min HOME WORK

The most important aspect of starting a business is selecting a good business idea, the second aspect for starting a business is whether you as a potential entrepreneur have what it takes to start and run a business. Based on the exercise we did on Personal Entrepreneurial Characteristics, Skills and Managerial capabilities can you assesse your competency in Starting and Running a business venture
Handout 1: The Role of Entrepreneurship in Kenya

1. **Employment.**
   Entrepreneurship leads to creation of jobs or employment opportunities. Many job opportunities have been created through entrepreneurship and even to the entrepreneurs themselves.

2. **Creation of Wealth.**
   Through entrepreneurship, wealth is created for the country's economy. Formation of capital is one of the advantages that come with entrepreneurship. The country’s economy is boosted when there are many entrepreneurs in the country.

3. **Exploitation of Market.**
   With entrepreneurs in the market providing different goods and services, the market is exploited so that almost if not all needs of consumers are met.

4. **Utilization of Resources.**
   The available resources are kept in effective and efficient use when entrepreneurs find what to do to exploit the resources economically.

5. **Increased Competition.**
   With increase in entrepreneurs in the market, fair competition is encouraged in this ensures that nobody practices monopoly in the market.

6. **Increases Purchasing Power.**
   Customers are able to choose from among different options and available substitutes to commodities since each and every entrepreneur will try to provide unique good and/or services.

7. **Increases Innovation.**
   Entrepreneurship encourages coming up with new ideas and options of improving the available products in the market. People are able to innovate new things through entrepreneurship.

8. **Reduces Imports.**
   With entrepreneurs providing missing products in the country or in the market, imports are reduced hence the funds which could have been used in imports are directed to some other useful projects of the country.

9. **Improves Infrastructure.**
   Through entrepreneurship, infrastructure is developed and improved. For instance, a business man will bring in electricity, good roads and so on in an area where he or she has started a business.

10. **Raises Standards of Living.**
    With entrepreneurship creating and providing employment opportunities, people are able to improve economically and therefore are able to improve their living standards.

11. **Reducing Rural to Urban Migration.**
Many new businesses are preferably started in the rural areas of Kenya with considerations that the rural areas still have the potential market and suitable space for expansion. Job opportunities are therefore provided by such businesses started in the rural areas and this has created employment to the local people thereby discouraging their migration to the urban centres.

12. Reducing Foreign Dominance of the Economy.
Foreign countries have been known to dominate some sectors of the economy. With new businesses targeted to creating competition to such foreign businesses, the foreign dominance of the economy is reduced.

13. Promotion of Technology.
Entrepreneurship also comes with improvement and promotion of technology in the sense that new businesses will always try to incorporate new ways of doing or performing their business deals.

14. Promotion of Entrepreneurial Culture.
Entrepreneurship also helps to culminate entrepreneurial culture in the society. It is very easy for others to copy or follow the trends that others have set or gone through with the view that they might also succeed as their fellows.
**Session 2.3: Personal Assessment**

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *Personal Assessment* on the Flipchart

**Materials Required:**

1. Large open wall prepare with brown paper
2. Flipchart or Blackboard
3. Markers or chalk, pens and pencils
4. Tape or glue stick
5. Tables
6. Notebook

**Objective:**
By the end of the session the participants will be able to carry out a personal assessment exercise and determine their level of competency

**Learning Outcomes:**

1. How to conduct personal assessment
   - Determine level and competency
   - Develop action to improve level of competency

**Training Methods:**

1. Presentation
2. Individual exercises
3. Plenary presentations

<table>
<thead>
<tr>
<th>Time</th>
<th>ACTIVITIES</th>
</tr>
</thead>
</table>
| 15Min | Step.1. Recap the previous session  
Introduction to the session: Ask the participants to discuss components of entrepreneurship |
| 30    | Step.2. Explain in detail how to conduct personal entrepreneurial assessment |
| 1hr   | Step. 3. Allow participants to conduct personal assessment |
| 1hr   | Step. 4. Participants to make plenary presentation  
Individual assessment presentations to be discussed in plenary |
| 30 min| CHECK LEARNING POINTS  
Ask participants to discuss the results of the exercise  
Ask each participant to write 3 key learning points from the exercise |
| 15min | SUMMARY  
Personal assessment will help to identify your strengths and weaknesses  
It also gives the participants skills to seek ways to improve their level of competency |

**Home Work**

A successful business starts with a good business idea.
Reflecting on the lesson, come up with a viable business idea
Handout 1: Personal Assessment Exercise

Carefully examine and assess these areas of competency and then take appropriate action to improve the level of competency.

<table>
<thead>
<tr>
<th>Personal Entrepreneurial Characteristics and other Situations</th>
<th>Competent</th>
<th>Weak</th>
<th>Action to improve competency level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1 Commitment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For you to succeed in starting a business you must be committed. Business is time consuming it is actually a 7/24 job without supervision. You will have mobilized resources that if you are not committed, you will lose them</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2 Motivation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are you adequately motivated to start and run a business venture? Remember, if you start a business, you will be able to create wealth for yourself</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3 Taking Risk</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Few people take the risk of starting a business venture. Are you ready to take moderate, calculated risk to start business?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4 Social Support</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Although starting a business comes from an inner burning drive, all the same you will need social support from immediate family, your husband, children, brothers and sisters and extended family</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>5 Resources mobilization</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>For you to succeed in starting your business you need to mobilize resources. Do think you are competent enough to mobilize adequate resources to start a feasible and viable enterprise?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>6 Feasible and Viable Business</strong></td>
<td></td>
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</tr>
<tr>
<td>You will need to identify a business idea, carry out market survey and start a viable business. Are you competent enough to carry out a market survey?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>7 Management and Technical skills</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As a potential entrepreneur you expected to have management and related technical skills to run the intended business venture.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>8 Environmental Concern</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is important to be aware of your dependency of and impact. How this business idea is going to contribute to conservation of environment</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
and how to sustain it for future generation

PERSONAL ASSESSMENT EXERCISE

Self-assessment rating in competency level on entrepreneurial characteristic and skills in starting and running a business venture:

<table>
<thead>
<tr>
<th></th>
<th>Excellent</th>
<th>Very good</th>
<th>Good</th>
<th>Fair</th>
<th>Weak</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Look at the assessment areas above and decide which ones that need improvement or growth are critical for your business success. Note the number of needed improvements below:

<table>
<thead>
<tr>
<th>CRITICAL AREAS NEEDING IMPROVEMENT AND GROWTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>4</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>7</td>
</tr>
</tbody>
</table>
Handout 2: How To Strengthen Your Entrepreneurial Abilities?

There are many ways to alter your characteristics, improve your business skills and situation and also address the necessary environmental and community concerns. Here are some suggestions on how to strengthen your entrepreneurial abilities:

| Read: Research on books about businesses that can be found in most libraries; also read business related articles on the internet, in newspapers and magazines. |
|---|---|
| Attend Training: Find and attend university or privately funded training programmes in business management, technical skills or motivation and entrepreneurship. |
| Learn From Successful Business People: You should be able to find successful business people who will talk to you about their businesses. If they allow you to visit their business locations, observe them as they work and learn from them. If possible, work as an apprentice in a related successful business. |
| Seek Help From Others: Talk about the areas that need improvement with your friends and family. You could also join a business association and discuss the issues with other members in the association. |

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2 Adapted from Start Your Business Manual, ILO, 2015
You might want to think about finding a partner who complements your abilities, instead of going into business entirely on your own. A partner might also be able to bring financial resources, collateral or relationships with financial service providers that could be helpful if your business ever needed a loan. There are a number of successful business people who did not have much experience or practice in a business situation before starting their businesses. What is important is to be aware of the areas that need improvement and develop a plan of action to deal with these before they negatively affect your business.
Module 3: Business Idea Generation

Session 3.1: Business Idea Generation

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic Business Idea Generation on the Flipchart

Materials Required:
1. Large open wall prepared with brown paper for idea generation exercise
2. Flipchart or Blackboard
3. Markers or chalk, pens and pencils
4. Tape or glue stick
5. Tables
6. Notebook

Objective:
By the end of the session the participants will be able to generate possible business idea for starting a business

Learning Outcomes:
1. Steps of brainstorming to generate business ideas
2. Generate business ideas in groups
3. Identify possible business ideas that can be revisited and screened

Training Methods:
- Brainstorming
- Group Discussion
- Individual presentation

Time | ACTIVITIES
--- | ---
15Min | Step 1.
Recap the previous session
Introduction to the session.
Ask the participants whether they have thought about their business ideas.
Introduce brainstorming as a tool to generating business ideas

1hr | Step 2. Brainstorming Exercise
In plenary brainstorm on what is a good product or service, the description of a good product or service can lead to a good business idea
In plenary come up with a possible business idea and take the participants through the major steps of brainstorming. Use the steps in the diagram below.

5hrs | Step 3.
Divide the participants into groups; each group should have at least 5 participants.
Every participant should be taken through the idea generation brainstorming process with the help of the group.
Every participant should with at least 3 business ideas for further screening.
For every participant the group will spent at least one hour.

1hr | Step 4.
Every participant will be given at least 10 min to explain to the plenary reason for selecting the generated business ideas.
- List the business ideas on flip chart
- Why do you that these are good business ideas
| **Who are your potential customers** |
| **Which products or services to potential customers** |

**30 min**  
**CHECK LEARNING POINTS**

Please mention what you have learnt during this session.

Ensure the following are mentioned:
- What is good business idea
- Identifying a good business idea
- Analyzing and selecting best business idea
- Own business idea

**15min**  
**SUMMARY**

A business idea is a short and precise description of the basic operations of an intended business. A successful business starts with a good business idea. Before you can start a good business you need to have a clear idea of what sort of business you want to run. A good business idea will be compatible with the sustainable resources and will respect the social and natural environment it depends on.

**Home Work**

After you have identified several business ideas. A market survey will help to determine a feasible business idea.
Handout 1: Idea Generation Brainstorming

Step 1. Brainstorming Exercise on a Good Product or Service

To arrive at a good business idea start off by brainstorming on what is a good product or service and then take to next stage and ask the participants what the best product or service. Ask the participants to give examples as shown here below.

Carry out the brainstorming session for at least 30 minutes before brainstorming on a good business idea.

What is a Good Product or Service?

<table>
<thead>
<tr>
<th>A Good Product Or Service</th>
<th>The Best Product Or Service</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 A product or service that customers buy regularly, it has a</td>
<td>A product or service that has become part of customers daily life</td>
<td>Sugar, salt</td>
</tr>
<tr>
<td>repeat buy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 A product or service extremely convenient</td>
<td>A product or service that you use without questioning even the price</td>
<td>M-Pesa</td>
</tr>
<tr>
<td>3 A product or service that you use on daily basis without</td>
<td>A product or service that you use and you keep wondering, <em>How was I living without it?</em></td>
<td>Mobile</td>
</tr>
<tr>
<td>a second thought</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 A product or service that does not become archaic, go out</td>
<td>A product or service that nobody asks its age, and cuts through generations</td>
<td>Coca Cola in existence since</td>
</tr>
<tr>
<td>of fashion</td>
<td></td>
<td>1886</td>
</tr>
</tbody>
</table>

Step 2. BRAINSTORMING ON GOOD BUSINESS IDEA
Handout 2: What is a Business Idea?

A business idea is a short and precise description of the basic operations of an intended business. A successful business starts with a good business idea. Before you can start a good business you need to have a clear idea of what sort of business you want to run. A good business idea will be compatible with the sustainable resources and will respect the social and natural environment it depends on.

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

- **Which** need your business will fulfill for the customers
- **What** product or service your business will sell
- **Who** your business will sell to.
- **How** your business is going to sell its products and services
- **How** your business will depend on and impact the environment

What Makes A Good Business Idea?

A good business idea is based on:

- A product that customers want
- A product or service you can sell at a price customers can afford and which give you a profit
- A product or service that has little negative impact on your family, community and environment
- The and skills can get
- The resources and money you can invest

ALL good businesses begin with a good idea that has been well thought out
### Session 3.2: Market Survey

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *Market Survey* on the Flipchart

### Materials Required:

1. Large open wall prepare with brown paper
2. Flipchart or Blackboard
3. Markers or chalk, pens and pencils
4. Tape or glue stick
5. Tables
6. Notebook
7. Market survey data collection form

### Objective:

By the end of the session the participants will be able to appreciate the role of market survey and carry out a market survey from the business idea

### Learning Outcomes:

- Understand the components of a market
- Be able to carry out market survey
- Develop a business plan

### Training Methods:

1. Presentation
2. Group Discussion
3. Plenary discussion

<table>
<thead>
<tr>
<th>Time</th>
<th>ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>15Min</td>
<td><strong>Step.1</strong></td>
</tr>
<tr>
<td></td>
<td>Recap the previous session</td>
</tr>
<tr>
<td></td>
<td>Introduction to the session</td>
</tr>
<tr>
<td></td>
<td>Ask the participants what know about a business plan</td>
</tr>
<tr>
<td>1hr</td>
<td><strong>Step.2</strong></td>
</tr>
<tr>
<td></td>
<td>Put the participants in groups to discuss the market survey form</td>
</tr>
<tr>
<td>2hr</td>
<td><strong>Step 3</strong></td>
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<tr>
<td></td>
<td>Discuss and explain the rationale each part of the tool</td>
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<tr>
<td></td>
<td>Explain how to use each part of the tool and to collect data</td>
</tr>
<tr>
<td></td>
<td>Explain how to analyze the data.</td>
</tr>
<tr>
<td></td>
<td>Give an example of a final business plan</td>
</tr>
</tbody>
</table>

### 30 min CHECK LEARNING POINTS

Ask the participants to list key learning and discuss with them

### 15min SUMMARY

A survey determine the feasibility of the business idea

### Homework: Major Assignment

The major assignment is the market survey using *Appendix 1: Market Survey Form/Tool*

Discuss with all stake holders the logistics of the market survey
## MODULE 4: DEVELOPING A BUSINESS PLAN

### Session 4.1: Marketing

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *Marketing* on the board

### Materials Required:

1. Whiteboard and markers, or easel with drawing paper and markers
2. Projector

### Objective:

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

1. Communicate the basic elements of marketing
2. Increase awareness and discuss the importance of meeting customers’ demands

### Learning Outcomes:

Ability to prepare a marketing plan for own business

### Training Methods:

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

### Time | ACTIVITIES
---|---
60 Min | Introduction to Marketing Plan (Based on the Results of Market Survey)

1. *Explain to the participants:*

   - To have a successful business you have to satisfy the needs and wants of your customers. How can you satisfy the wants and needs of the customers and how can you attract them to buy your products instead of those from your competitors?
   - That process is what we call marketing: To satisfy the wants and the needs of the customers so that they buy your products/services.
   - Remember one of the most important things for a business is to sell the products. So, the customer becomes the most important person to the business!
   - To satisfy the wants and needs of the customers, a business should give attention to the 5Ps—these will help you be the best seller of a product or service.

2. *Ask if any of the participants know what the 5Ps stand for. Write them on the flipchart.*
3. Display the 5Ps marketing mix (below) on the projector, if possible.

![5Ps Marketing Mix Diagram]

4. Go through the summary points and activities on the following pages for each of the 5Ps, in the order they are presented.

#1: PRODUCT

1. Explain:
   - Product refers to what you are selling, including all the features, advantages, and benefits that your customers can enjoy from buying your goods or services. When marketing your product, it’s important to think about key features and benefits your customers want or need.
   - As a sales person, you have to believe in and know your product. Your first sales should be to yourself! Then you will see the benefits in your sales.

2. Ask the participants to imagine they have gone to a store that sells goods for the kitchen (such as cooking tools). Ask them what makes them like a particular item in the store. Write their suggestions on the flipchart. When they have finished, make sure they have included the following:
   - Type of material/quality
   - Packaging
   - Sizes
   - Color/design/styles
   - Customer service (e.g., if a more expensive item can be repaired)
   - Benefits it brings (e.g., sharper knife makes for easier cutting)

   - It is the customer who holds the key to a business, so it’s important to think about what key features and benefits the customers would like or would be attracted to.
   - Ask participants what is attractive about their cook stove or fuel product. It
can be the physical appearance or something like health and time-saving benefits. Have them share with a partner what is attractive about their product.

- Remember to tell your clients why your product is good for their needs and preferences. When marketing your product, make sure to emphasize the things that your customer is interested in. For example, some customers may care more about time savings than the physical appearance.

**Training Tip**

If working with women who produce cook stove or fuel products, explain to them that it is important to understand needs and preferences of customers before making a product. Customers may be able to provide insight on the look or fuel of the cook stove, which can inform your design process.

**Activity (a): My Cook Stove Slogan**

1. Have participants get into groups of two or three. Instruct each group to design a short slogan (no more than 20 words) along with a picture to market a cook stove product. They can either use the cook stove they already sell, or you can provide them with a picture of a cook stove or fuel product to promote.

2. When participants have created their slogans, have each group share.
   - What is a slogan? A short and memorable phrase used in advertising. An example for a cook stove could be: “Don’t burn your money.”

**Training Tip**

Post the slogans on the wall in the classroom, along with other things that are made during the week.

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**#2: PERSON**

1. **Explain the importance of understanding your client:**
   - It is important to determine whom you are selling your product to. Who is your target group? For example, your target group can be women and men, girls and boys, young adults, adults, old people, people of different income levels, etc.; shops, restaurants, hotels etc.; or customers with little money, moderate amount of money, a lot of money, etc.
   - Narrowing your target market can be important because it allows you to communicate easier with potential customers, and it can be cheaper/less complicated to serve a narrower target.

2. **Ask the participants to think about who the target group for their product is/could be:**
   - Is this target group the right one? Is the target group interested in buying the product? Why are they interested in the product?
   - The more you learn about your target group, the more you can speak to their true needs, and the greater chance you will have of being successful. What are the
needs or gaps that you are addressing for your target group?

Realize that you are helping them solve a problem!
- For example, by selling cleaner cook stoves you are helping them achieve better health for themselves and their family.

3. When the target group is determined, discuss the following topics:
- What are the characteristics of the target group? What are the interests of the target group?
- What is the experience/opinion of the target group with cook stoves?
- What is the message I want to communicate to the target group?

Activity (b): Marketing with a Gender-Lens (Optional)

1. Have participants find a partner. Have three examples of products (e.g., hairbrush, pot, radio).

2. Explain to participants that they will be told the name of a product and whether the potential customer is female or male. They will then have to convince their partner, based on this characteristic, to buy the product.

3. Have one participant go first. Announce the name of the product. Give them 30 seconds to think and 30 seconds to convince to their partner.

4. Have the partner’s switch, so the convincer becomes the potential customer, and vice versa.

5. Repeat for all three products, switching the genders so that each participant does at least one for male and one for female.

Discuss:
- Was the same product promoted differently for a man than for a woman?
- Men and women have different needs and preferences. They may like the same product for different reasons. This can stem from the fact that men and women have different roles (based on gender roles/expectations) and therefore use products differently. It’s important to be aware of these preferences and to know who you are marketing a product to.

Tip

Run this exercise like a game. Use a clock or stopwatch and let everyone know that on the count of three, they have 30 seconds to think about their case. Then, use a timer to count down 30 seconds for them to convince their partner.

Activity (c): Marketing a Cook stove with a Gender-Lens

1. Have each participant spend five minutes thinking about her cook stove product and creating two lists. One list should be of benefits that women like about the product, and one list should be of benefits that men like about the product.

2. Have participants find a partner and share.
Debrief

3. Have participants share with the group benefits that men like and benefits that women like.

4. Have participants rank the following benefits by importance for women, and do the same for men: Convenience; time; money; safety

#3: PRICE

1. Explain:
   - Correct pricing of products is critical. If the prices are too low you will not make a profit, if they are too high the customers may not want to buy. If the prices are high and you cannot change the price, there are some strategies to still make the purchase feasible for your customers.
   - We will explore more about pricing and profits later in the training. The pricing exercise will explore more in depth the importance of pricing and different pricing methods.

2. Ask the group what they currently sell their products for. How many products do they sell each month? Do they know how much money they get to keep for themselves after costs?

3. Ask the group; regardless of the normal price they sell a product or service for, in what other ways can they attract customers with the price. Use their responses to begin explaining discounts, special offers, and favorable payment conditions:
   - Was the same product promoted differently for a man than for a woman?
   - Discounts: Customers can be attracted by offering discounts. For example:
     - Cash discount: customers who pay cash pay a lower price than those who buy on credit (loan).
     - Group discount: customers in a group who pay cash for a certain number of products pay a lower price.
     - Quantity discount: customers who buy in bulk pay less per unit.
     - Special offers: Customers can be attracted by special offers, particularly if they will soon become unavailable. Play with time here, such as offering a “limited time only” offer. For example:
       - If you buy a cook stove in the next week you will get a week’s worth of fuel for free!
     - Favorable payment conditions: Customers can also be attracted to buy from you if they can pay in installments. However, be careful when selling on credit! Try to limit it as much as possible to trustworthy customers. Helping consumers have financial access to products will be explored in detail later on, with more options and examples.

4. Make sure participants understand that the goal isn’t necessarily to have the lowest price. Cook stove products can be expensive, but they also have great, long-term value in efficiency, savings, and safety.
#4: PLACE

1. **Explain**

   - The fourth element of marketing is the “place” you sell your products—basically, how you make products available to potential customers.
   - The main location of your business might not always be very accessible for customers/your target market. For example, if you are making cook stoves, you might do this at your home, which is near to a source of clay. But this may not be a good place for customers to see and buy them. In that case, you will need to think about where you can take the cook stoves so that customers will see them—perhaps to a nearby marketplace each week. If you are selling products to women in particular, where do they buy their goods and when?
   - It’s also possible to distribute the products to customers through other people or retailers. For example, you may sell to other women or men who, in turn, sell to end-users.

2. Ask the participants where their businesses are currently located and what the advantages and disadvantages are at these places. Ask them how they could make their products more accessible to their customers.

**Tip**

As you go through the 5Ps, there is a lot of information to give the participants, so try to make it as interactive and visual as possible. Consider using a projector to show photos of different cook stoves or locations where cook stoves are being sold, and ask the participants to discuss if each one shows a good marketing example or not, and why.

#5: PROMOTION

1. Ask participants to define what promotion is. Build on their suggestions with an explanation of promotion:

   - This “P” is often neglected by entrepreneurs, as they think that promotion is only done by big companies. However, any business can use promotion in order to attract customers!
   - In order to sell your products you should promote your products and your business. If the customers don’t know you and don’t know what you are selling, they will not buy!
   - Promotion means to communicate information about your own business to your customers in order to persuade them to buy your cook stove or fuel product/services.
   - **Features vs. Benefits:** Explain to the participants that in promotion, they can focus on selling a product benefit or a product feature. A feature is a factual statement about the product. For example, the efficient cook stove uses less fuel. A product benefit answers the question, “What’s in it for me if I buy this product?” For example, an efficient cook stove saves time and is convenient. Promotion plans are most effective when they focus on the benefit of the product to attract the customer. Once the customer is interested, product benefits can help complete the sale.
2. Ask the participants what information a businessperson needs to communicate to customers? Write their answers on the flip chart. When they have finished, give them any that they have missed:

<table>
<thead>
<tr>
<th>Info about the business</th>
<th>Info about the product</th>
<th>Info to attract the customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
<td>Type of cook stove or fuel</td>
<td>Reasons why they should buy your products (e.g., quality, warranty, efficiency after-sales service)</td>
</tr>
<tr>
<td>Location</td>
<td>Price</td>
<td></td>
</tr>
<tr>
<td>Opening hours</td>
<td>Quality</td>
<td></td>
</tr>
</tbody>
</table>

3. Ask participants how a businessperson can tell customers about products/services? Answers should include:

- Word of mouth
- Advertisement in a newspaper
- Signboards/Posters
- Stall in local market
- Village community meetings
- Displays
- Advertisements on the radio/T.V.
- Letters, leaflets, brochures
- Going door to door
- Presenting to church savings, Groups etc

- Selling your product through a women’s group or a savings group, is a great way to promote and sell products. You know the members in these groups and may be more comfortable selling to them. They can also pay for cook stove or fuel products collectively.

- Also, word of mouth is often a strong method to use. This is because people buy products that they can trust, particularly in rural and peri-urban areas. If a recommendation for a product comes from someone who they already trust or respect, they will naturally have an inclination to trust the product and want to buy it.

**Activity (d): Promoting Your cook stove Product (Optional)**

1. Ask the participants how they should promote their product:

   - **Costs:** How much can you afford to promote your product (e.g., an advertisement in a newspaper might be too expensive for a small business)?
   - **Objectives:** What message do you want to communicate to your customers (e.g., if you want to communicate the quality and designs of
the items

- **Target group**: To whom do you want to communicate your message (e.g., if customers live in a certain area of your town, then a national radio advertisement would not reach the right target group (as well as being expensive))?
- **Incentives**: How can you use existing customers to attract and bring in new clients?
- **Clients**: Consider offering customers who refer new customers a commission (a percentage of final sale or fixed amount), a discount on future purchases, or other products, etc.

2. Divide participants into small groups and have them create a plan to promote efficient cook stoves. You may want to give them a case study to discuss (an example is given below). Ask them to think about:

- How did the case study businesswoman promote her cook stoves? Did she discuss benefits or features of the product? Optional: Did she include both above the line and below the line marketing techniques?
- What information did she focus on, and how did she communicate it?
- What other information could she have mentioned?
- What other ways could she communicate information about her cook stoves?
- Would you do the same to promote your cook stoves? What information would you want to give your customers and what methods would you choose?

**Example Promotion Case Study (Adopt/customize)**

[Woman#1] wants to promote her improved Cookstoves [name of Cookstove] in [city]. There are no other improved Cookstoves in the town, so people don’t know much about the Cookstoves. [Woman#1] rents a market stall every Saturday in the town. She brings a [name of Cookstove] and sets up the three-stone traditional stove. She then starts boiling a meal of [maize/rice]. She lights up both stoves with firewood and boils [dish] separately on each stove.

She exclaims: “Look, using the [name of Cookstove], two pieces of firewood burn for more than three hours and can boil [dish]. To boil the same amount has taken more firewood—ten pieces—using the traditional stove! The improved Cookstove is more economical than the traditional three-stone stove so it saves fuel and saves you money. And look, there is less smoke on the [name of Cookstove] stove! It is better for your health and that of your children.”

After the demonstration, several observers are interested in the [name of Cookstove] stove and ask questions. [Woman#1] sells five stoves after doing the demonstration.

<table>
<thead>
<tr>
<th>5 Min</th>
<th>CHECK LEARNING POINTS</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Please mention what you have learnt during this session.</td>
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<tr>
<td></td>
<td>Ensure the following are mentioned:</td>
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<tr>
<td>5 Min</td>
<td>SUMMARY</td>
</tr>
<tr>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td>▪ Satisfying customer needs</td>
<td></td>
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<tr>
<td>▪ 5Ps- Product, Price, Place, Promotion and Person</td>
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<tr>
<td>▪ How to promote a product</td>
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<tr>
<td>▪ Promotion Slogan</td>
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<tr>
<td>▪ Know the needs and wants of your customers</td>
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<tr>
<td>▪ Product - Know what you sell</td>
<td></td>
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<tr>
<td>▪ Person – know your client or target group</td>
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<tr>
<td>▪ Price – Determine the correct price to win customers</td>
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<tr>
<td>▪ Place – Make your products available to your clients</td>
<td></td>
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<tr>
<td>▪ Promotion – Promote and communicate about your product and business to potential customers</td>
<td></td>
</tr>
</tbody>
</table>

**Homework:**

Write brief notes own:
- **Customer needs and wants**.
- Product,
- Person,
- Price,
- Place,
- Promotion plans
### Session 4.1.1 Wrap-Up Marketing

1. Welcome and introductions where necessary.
2. Recap the previous session.
3. Write the topic *Wrap-up Marketing* skills.

### Materials Required:

1. Marketing plan sheets in the participant packet.

### Objective:

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

1. Communicate the basic elements of marketing.
2. Increase awareness and discuss the importance of meeting customers’ demands.

### Learning Outcomes:

- Ability to produce a marketing plan sheet.

### Training Methods:

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

### Trainer Preparations:

- Prepare a colleague or hotel staff to play the role of a customer.
- If possible, ask participants to bring their own products or provide sample.
- Prepare marketing plan sheets enough for participants.

### Time | ACTIVITIES
--- | ---
**30 Min**

1. Debrief: Explain the following and refer to the 5P pie (in first part of exercise):
   - The 5Ps are all interrelated. They can be seen as parts of a pie: if one part is big, then the others will be smaller, but they always form one pie together.
   - If you want people to buy your product, then you should check on all the 5Ps. Example:
     - If the quality of your product is very good, then your price can also be high.
     - If the location of your business is far away from the customers, then you have to make more efforts to attract your customers (e.g., by promotion).

2. Review by asking participants how gender roles might affect elements of the marketing plan. What disadvantages do women potentially face in relation to men? What advantages do women have? How can female entrepreneurs overcome these barriers and make the most of their advantages?

3. Have participants fill out the marketing plan sheet of the business plan section in the participant packet, as much as they are able.

4. Have two to three volunteers share their marketing plan with the group.
Tip

If there are any other external people available (e.g., your colleagues, hotel staff) ask them to come and join the exercise as potential customers and give their own reactions to the marketing techniques.

Adopt/Customize

If it is feasible for participants to bring one of the products they produce/sell (e.g., cook stove liner, cook stove, bag of briquettes), ask them to do this exercise with their own products. Alternatively, you could provide them each with one type of energy product.

<table>
<thead>
<tr>
<th>3 Min</th>
<th>CHECK LEARNING POINTS</th>
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<tbody>
<tr>
<td></td>
<td>Please mention what you have learnt during this session.</td>
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<td></td>
<td>Ensure the following are mentioned:</td>
</tr>
<tr>
<td></td>
<td>▪ Benefits and features of a product or service</td>
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<td></td>
<td>▪ Target groups and their needs</td>
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<td></td>
<td>▪ How products or services reach customers</td>
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<td></td>
<td>▪ Importance of determining the right price</td>
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<td></td>
<td>▪ Making products or services known to clients or customers</td>
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<td></td>
<td>▪ Knowing competitors and differentiating products or services</td>
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</tbody>
</table>

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<thead>
<tr>
<th>2 Min</th>
<th>SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Conclude that it is the seller/entrepreneur who manages to create the “perfect” marketing mix (meaning the right product, with the right price, in the right place, and supported by the right promotion in the right time) who will be more successful than his/her competitors.</td>
</tr>
</tbody>
</table>

Homework:

1. Profile your competitors
2. What will you do differently from your competitors to attract and keep customers:
## Handout 1: The 5Ps Example

### Marketing 5Ps – example summary for participants

<table>
<thead>
<tr>
<th>PRODUCT</th>
<th>A good cook stove satisfies your customer’s needs and wants. Keep in mind these benefits to tell your customer when selling cook stoves:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Quality&lt;br&gt; - Attractiveness &amp; Design&lt;br&gt; - Distinguish from traditional stoves or other available products/services&lt;br&gt; - Combination with fuel (if applicable)&lt;br&gt; - Benefits as compared to traditional stoves&lt;br&gt; - Warranty</td>
</tr>
</tbody>
</table>

**Key questions:**
- Are my cook stove or fuel products/services different from others that are available? If so, how?
- What is attractive to my target customers about my cook stove or fuel product/services?

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<thead>
<tr>
<th>PERSON</th>
<th>It is important to determine your target group. Once you have done this, keep in mind their;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- Characteristics&lt;br&gt; - Interests&lt;br&gt; - Experiences/opinions with your product/service</td>
</tr>
</tbody>
</table>

**Key questions:**
- Who is/are my target group(s) (e.g., children, young adults, adults, old people, wealthy people, poor people, etc.; shops, restaurants, hotels, etc.; customers with little money, moderate amount of money, a lot of money etc.)?
- What are the characteristics of my target group(s)?
- Why is/are my target group(s) interested in buying my product?
- Can they access and afford my product?
- What are benefits I should emphasize to men? What are benefits I would emphasize to women?

<table>
<thead>
<tr>
<th>PLACE</th>
<th>Make sure that your products are accessible to your customers. Keep in mind:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>- A good business location is easily accessible for customers, clean, safe, attractive, clearly visible, and open during regular and convenient hours&lt;br&gt; - A good presentation of products (display)&lt;br&gt; - Finding the best way to distribute your product</td>
</tr>
</tbody>
</table>
Key questions:
- Are my customers easily able to access my products to buy them?
- Can customers easily find my business?
- Is the place suitable for my business needs (e.g., for making/storing/displaying products)?

PRICE

Think about how to make the product financially attractive and affordable for your customers. Some strategies include:
- Discounts
- Special, limited-time offers
- Favorable payment conditions (such as installment plans)

Key questions:
- Do I know what people will be able to pay for my products/services?
- What kind of consumer finance plan can I offer?
- What type of risk does that entail (for me, for my customers)? Is it logistically feasible to offer finance to my customers?
- What can I do to reduce the risk for myself?

PROMOTION

Promotion is all activities to attract customers to buy your product or services, for example:
- Packaging
- Visits to potential clients
- Sign post
- Sales promotion
- Advertising
- Selling techniques
- Word of mouth

Key questions:
- Do I use ways to promote my Cookstove or fuel products/services? If so, in what way?
- What are the most successful ways I have promoted my Cookstoves?
- What other ways could I try to promote my product?
<table>
<thead>
<tr>
<th><strong>Product</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>These are the benefits of my product to customers:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Person</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>This is my target group:</td>
<td></td>
</tr>
<tr>
<td>Men:</td>
<td></td>
</tr>
<tr>
<td>Women:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Place</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>This is how my products/services will reach my customers:</td>
<td></td>
</tr>
<tr>
<td><strong>Price</strong></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>I will attract customers through these price strategies or finance plans:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Promotion</strong></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>This is how my customers will know about my product/services:</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>These are my competitors:</strong></th>
<th></th>
</tr>
</thead>
</table>

| **What I will do differently from my competitors to attract and keep customers:** |  |
### Session 4.2: Managing Your Money

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *Managing Your Money* on the Flipchart

### Materials Required:

1. Whiteboard and markers, or Flipchart with papers
2. Projector

### Objective:

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

1. Explain the concept of managing your money.
2. Discuss the basics of financial management for a business.

### Learning Outcomes:

Ability to:

1. Manage own money
2. Keep business financial records

### Training Methods:

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

### Trainer Preparations:

- Prepare two headers: ‘Family Expenses’ and the ‘Business Expenses’ on cards for use on flipcharts or boards

### Time ACTIVITIES

<table>
<thead>
<tr>
<th>60 Min</th>
<th>1. Ask the participants: What do you need money for?</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Have participants come up with answers that relate to private expenses (e.g., buying food for the family, school fees) and business expenses (e.g., buying stock or raw materials, transportation to go to the market). Have participants write these things on sticky notes, and put them up randomly on the board.</td>
<td></td>
</tr>
<tr>
<td>3. Ask participants: Which expenses are for your family? Which ones are for your business?</td>
<td></td>
</tr>
<tr>
<td>4. Rearrange the written cards in two columns—“Personal/Family Purse” and “Business Purse,” as instructed by the participants. Provide some more examples for each purse.</td>
<td></td>
</tr>
<tr>
<td>5. Ask participants: Do you think we should keep the money for family expenses separate from the money in the business purse? Why?</td>
<td></td>
</tr>
<tr>
<td>6. Explain:</td>
<td></td>
</tr>
<tr>
<td>- It is important to make a distinction between the money you need for yourself and your family, and the money you need for your business. Most small businesses have an issue with combining personal and business finances. Therefore, you should examine and understand how money is spent in order to make the clear distinction between your “personal purse” and your “business purse.”</td>
<td></td>
</tr>
</tbody>
</table>
7. Relate the discussion to gender equality by asking participants:
   ▪ Who manages household income? Who tends to make the decisions for the day to day like buying foodstuffs in the market or purchasing fuel? Who tends to make decisions for larger-scale purchases like property, animals, etc.?
   ▪ Overall, who can manage household income better? Why? What sort of changes would you like to make in your household regarding who makes financial decisions? How can you make those changes?

8. Participants may conclude that one sex is better at managing household incomes than the other. Remind the participants that skills are learned and can be developed by anyone, man or woman. Financial and money management knowledge and skills are not inherently related to someone’s sex.

**Training Tip:**
   o Point out that being responsible for managing money and deciding on small expenditures does not necessarily mean that the person has control over big financial decisions. In many cases, wives have less overall financial control than their husbands even though they look after the family money.

9. Ask participants: What costs can occur in your business that you might not immediately consider? Build off of their answers to include the following points:
   ▪ Items being wasted (e.g., perished materials, low quality material, inappropriate equipment and technology)
   ▪ Misuse or theft
   ▪ Differences between buying raw materials in bulk (with discounts) or in small quantities
   ▪ Price increases (inflation) or decreases (too much competition)
   ▪ Changes in demand and supply for items (e.g., seasonal, regional, trends)
   ▪ Changes in productivity (Is it possible to produce more with the same or less inputs?)
   ▪ Insufficient planning

10. Discuss the following with the group: before taking out a loan, think carefully about the following issues or questions:
   ▪ Do we make proper use of our own resources (individual, family, and/or group)?
     o Do we have bank savings or deposits (individual or group)?
     o Do we have access to informal loans borrowed from family and friends?
     o Can we use our house, plot of land, or other assets as “security,” collateral, or “own share”?
     o Do our business partners or investors contribute financially to the business (shares)?
     o Do we have business profits or earnings?
   ▪ Do we have access to external financial sources as women entrepreneurs or income generating groups?
     o Grants: a gift of money that does not have to be paid back
     o Loans: an amount of money that has to be paid back usually with interest to banks, micro-finance institutions, village banks, moneylenders, and other sources

11. Explain the issues to consider here which include: guarantees or guarantors; interest
rates; repayment period; delays in processing a loan proposal; and time from approval to final disbursement.

**Training Tip:**
- Emphasize importance for participants to seek advice on these matters before borrowing money from informal channels (family and money lends) and formal channels (bank loan).

12. Explain: When taking a loan:
   - Ask yourself: Do I really need a loan or can I mobilize my own resources? A loan is a debt that will always be a financial burden on the business until it is repaid. If you need a loan, be aware that this costs are involved. Besides the interest rates, there are other costs such as application fees, bank administration fees, and changes in local currency exchange rates, which may increase the cost of the loan over time.
   - Obtaining a loan may be a difficult and lengthy process, especially in rural areas, and it can be even more so for women.

<table>
<thead>
<tr>
<th>CHECK LEARNING POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please mention what you have learnt during this session.</td>
</tr>
</tbody>
</table>

Ensure the following are mentioned:
- “Personal/Family Purse” and “Business Purse,”
- Keeping the money for family expenses separate from the money in the business purse?
- Importance of separating business money from family money.
- Gender issues in managing business and family money
- When to go for a loan and issues to consider

<table>
<thead>
<tr>
<th>SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Many entrepreneurs think access to finance is their biggest problem. In practice, this may be the case for many entrepreneurs. However, it often isn’t the lack of access to finance, but management of finance that is most difficult. It is also one of the most common reasons for business failure.</td>
</tr>
<tr>
<td>A business owner needs to have control over the “money in” and “money out” flows in her enterprise, otherwise it cannot become successful.</td>
</tr>
<tr>
<td>Make a distinction between your “private/family purse” and your “business purse” and keep two separate purses, otherwise chances are high your business will not be successful.</td>
</tr>
<tr>
<td>We will now learn about recordkeeping, an important tool and practice to manage your money.</td>
</tr>
</tbody>
</table>

**Homework:**
1. Create a table separating family expenses from business expenses
2. List your expenses per category
3. What will you do differently as a result of what you have learnt from this session?
Handout 1: Managing Your Money

What do you need money for?

In a Family:
- Starting up a home (building a new home)
- Day-to-day items (buying food for meals, cleaning materials)
- Items for long-term use (a radio, a television, a motor cycle)

In a Business:
- Equipment
- Registration fees
- Land, a building
- Raw materials
- Paying wages

When thinking about expenses related to your private life, make sure to distinguish between your personal expenses and those of your enterprise – keep them separate.

Woman in Enterprise

<table>
<thead>
<tr>
<th>Yourself and your family</th>
<th>Your business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money used to feed the family and for personal items</td>
<td>Money used to buy materials, supplies, equipment, etc.</td>
</tr>
<tr>
<td>Money used for needs and obligations of one’s family, children and friends (e.g. hospital, school fees, close friend’s personal expenses, etc.)</td>
<td>Money needed to pay salaries and other labour expenses (e.g. including social protection, health insurance, pensions, etc.)</td>
</tr>
<tr>
<td>Money used for recreation, buying a TV, etc.</td>
<td>Money used to buy machines, recording books, etc.</td>
</tr>
<tr>
<td>Cash kept in safe place at home or bank account in your personal name</td>
<td>Cash kept in business drawer, savings scheme, or business bank account</td>
</tr>
</tbody>
</table>

Why and how to control cash coming in and cash going out of the business?

- You know how much money goes in and goes out of your business
- You can keep better control of your cash (plan ahead and budget)
- You can monitor how much you have sold (sales performance)
- You can check your expenses regularly (monitoring costs)
- You can manage your losses and your profits (increase profits; reduce losses)
- You can make comparisons: costs/sales of other products; estimates against actual performance; comparing one trading period to another; comparing with competitors; benchmarks, etc.
- You can see at any moment who owes money to you
- You can check whether money got lost or stolen

**What costs can occur that you might not think of in advance? – Why do your costs change?**

- Things being wasted
- Misuse or thefts in your business
- Differences in buying raw materials in bulk (discounts) or in small quantities
- Increased prices of inputs (inflation)
- Decrease in selling price (too much competition)
- Changes in demand and supply for items (e.g. seasonal; regional; trends)
- Changes in productivity (more from less; less from more)
- Insufficient planning (see module 4 on Management)

**How to gain access to financial resources:**

- Personal, family and group resources:
  - Savings (individual or group savings)
  - Money borrowed informally from family and friends
  - Contributions (shares) by business partners or investors
  - Profits or earnings of your business
  - House, plot of land (not as cash resource but as security)

- External sources (accessible to women micro-entrepreneurs or to women’s groups):
  - Loans: an amount of money that needs to be paid back with interest to banks, micro-finance institutions; money-lenders; other sources)
  - Issues to consider: collateral; guarantees; interest rates; repayment period; delays in processing loan proposals, and approval and disbursement of loans)
  - Grants: a cash gift that does not have to be paid back
### Session 4.3: Costing and Pricing

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *Costing and Pricing* on the Flipchart

#### Materials Required:

1. Whiteboard and markers, or Flipchart with papers
2. Writing materials.
3. Prepare headings on flipcharts or boards: Start-up Costs; Operational Costs; Fixed Costs and Variable Costs for use during step 2.

#### Objective:

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

1. To understand how to calculate the cost of a product or service
2. To know how to set prices for products or services

#### Learning Out comes:

Ability to:

1. Calculate the cost of a product or service
2. Set prices for products or services

#### Training Methods:

- Presentation
- Individual exercises
- Plenary discussion

#### Trainer Preparations:

1. The flipcharts listing the main inputs for lemonade production will be used in this exercise.
2. Prepare headings on flipcharts or boards: Start-up Costs; Operational Costs; Fixed Costs and Variable Costs for use during step 2

#### Time ACTIVITIES

<table>
<thead>
<tr>
<th>Time</th>
<th>ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>105 Min</td>
<td><em>Step 1: Define Business Operations and the Three Types of Costs</em></td>
</tr>
</tbody>
</table>

How is my business going to function?

In order to determine how your business is going to function, you must determine the operations of the business, or more specifically, you must outline everything you'll do to run your business effectively. A way to uncover all the necessary costs is to ask yourself: what are some expenses/costs you would come across in running your business?

Other questions to uncover all the necessary costs:

- What type of facility is necessary to house your business?
- What materials do you need to produce your product/service?
- Who will do what to make the product/service? How many people are involved?
- Does the product require packaging? What kind?
- What transportation do you need to move your materials and/or to sell your product?
- If applicable, how many items will you make in one production cycle?

*Exercise: What are all the things we will need in order for Chapati Chap Chap to function?*
Once having detailed all the things necessary for your business to function, you are going to separate these things into three categories: the three types of costs.

The three types of costs:

1. __________________  2. __________________  3. __________________

1. **Start Up**
   - **What are Start-up Costs?**

   Ask participants to respond to the following questions: In order to start my business I will need or have:
   - i. Machinery or equipment?
   - ii. Construction costs?
   - iii. Furniture required to start-up my business (tables, chairs, pens, pencils, desks, notebooks, paintings, a generator, etc...)?
   - iv. Legal demands?
   - v. Initial marketing costs?

   - **Why are startup costs important?**

   Accurately calculating start-up costs is important so that you have a clear idea of your initial financial needs. This can help you know whether or not the scope of your business is realistic and/or what additional resources you’ll need to make it so.

   **Exercise: The Start Up Costs for Chapati Chap Chap**

2. **The Direct Costs**
   - What are the direct costs?
   - The direct costs for Chapati Chap Chap:

3. **The Indirect Costs**
   - What are the indirect costs?
   - The indirect costs for Chapati Chap Chap

**Review...**

Why do you think it’s important to be aware of classifying these three different types of costs?

**Step 2: Calculate the Cost per Unit, Determine the Selling Price and Estimate Sales**
**Income**

**Calculate the Cost per Unit**

The direct and indirect costs are included in the calculation of product cost. The goal with the calculation of costs is to find the production cost to the entrepreneur per unit.

\[
\text{Direct Costs per Unit} + \text{Indirect Costs per Unit} = \text{Total Cost per Unit}
\]

Why calculate the unit cost?

1. To establish your prices.
   
   *If you know the total of your costs, you can then establish your selling prices to obtain a profit*

2. To minimize and control your expenses.
   
   *If you know all of your costs, you will be able to find the best means of producing and selling your goods and services.*

3. To make better decisions concerning your business.
   
   *Knowing the costs of each of your products or services in detail will help you make better sales decisions in order to obtain a sufficient profit*

4. To plan.
   
   *Knowing the details of all of your costs well will help you plan. For example, you need to know all of your costs before being able to plan your sales and costs or your liquidity flow.*
## Exercise: Calculate the Cost per Unit: Chapati

### 1. Direct Costs per Chapati

**Product:** Chapati  
**Quantity:** 10 Chapati

<table>
<thead>
<tr>
<th>Direct Cost</th>
<th>What we need</th>
<th>How much (quantity)</th>
<th>Cost for (quantity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Packaging</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Direct Costs (for 10 Chapati):**

**Total Direct Costs per Chapati:**

### 2. Indirect Costs Per Chapati

A. Calculate the total indirect costs per month.
B. Find the hours of operation per month.
C. Estimate the amount of product sold per month.
D. Calculate the indirect costs per unit.

**A. Calculate the total indirect costs per month:**

<table>
<thead>
<tr>
<th>Indirect Costs</th>
<th>Cost per Month</th>
<th>Costs per Month</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

**Total Indirect Per Month**

---

Remember, in order to find the total direct cost per sandwich, we used one specific quantity, but to find the total indirect costs per sandwich we will use a forecast of the total sold.
B. Find the hours of operation per month:

Chapati Chap Chap is open:

- ________ hours per day
- ________ days per week
- ________ days per month

C. Estimate the amount of the product sold per month:

Hours open per month x Estimation of product = Estimation of product

sold per hour sold per month

_______ hours x ______ Chapati = ______ Chapati per month

D. Calculate the indirect costs per Chapati:

\[
\frac{Total\ indirect\ costs\ per\ month}{Estimation\ of\ units\ sold\ per\ month} = Indirect\ costs\ per\ unit\ per\ Chapati
\]

_______ Kshs. per month

\[
\frac{_______\ Chapati\ per\ month}{_______\ Chapati\ per\ month} = _________\ Kshs.\ per\ Chapati
\]

3. Total Cost per Chapati

Direct Costs per Unit + Indirect Costs per Unit = Total Cost per Unit

________________ + ______________ = __________________

To produce a Chapati it will cost ________________ Kshs!

Determine the Selling Price and Calculate the Profit per Unit

Selling Price per Unit - Cost per Unit = Profit per Unit

________________ - ______________ = ______________
When determining your price, in order to think about more than simply a desired profit, you should consider the following questions…

- After talking with potential clients, what is an acceptable price for your product?
- What are the prices of your competitors?
- If your price is higher, why should the client buy from you? Does the demand already exist?

**Calculate the profit per Chapati:**

\[ \text{Chapati} - \text{Profit} = \text{Chapati} \]

I have decided that a price of \( \text{__________ Kshs} \) and a profit of \( \text{__________ Kshs} \) for Chapati isn’t only acceptable, but desirable!

**Estimate Sales Income**

Currently, you know your profit per unit. With this information, you can estimate the revenue and profit in order to plan for different situations.

After my market research, I believe that in the beginning I will sell 15 Chapati per day…

**Daily:**

\[
\begin{align*}
15 \text{ Chapati} \times \text{_____ Kshs} &= \text{_______ of income per day} \\
\times \text{_____ Kshs} &= \text{_______ of profit per day}
\end{align*}
\]

**Weekly:**

\[
\begin{align*}
6 \text{ (days per week)} \times \text{_____ Kshs of income} &= \text{_____ of income per week} \\
\times \text{_____ Kshs of Profit} &= \text{_____ of profit per week}
\end{align*}
\]

**Monthly**

\[
\begin{align*}
26 \text{ (days per month)} \times \text{____ Kshs of income} &= \text{_____ of income per month} \\
\times \text{____ Kshs of Profit} &= \text{_____ of profit per month}
\end{align*}
\]

If I sell 20 Chapati per day…
If I sell 30 Chapati per day…

*With the estimation of sales income, you can plan for different situations. Moreover, after you start, you can have an idea of when you can reimburse your loans, finish the*

**Review…**

- Why is calculating the cost per unit important for your business?
- How can the estimation of sales income help an entrepreneur?
### CHECK LEARNING POINTS

Please mention what you have learnt during this session.

Ensure the following are mentioned:
- Business operations
- Start Up costs
- Direct costs
- Indirect costs
- Calculating cost per unit
- Amount of products sold per month
- Determining selling price
- Estimating sales income

### SUMMARY

In order to determine how your business is going to function, you must determine the operations of the business, or more specifically, you must outline everything you'll do to run your business effectively. A way to uncover all the necessary costs is to ask yourself: what are some expenses/costs you would come across in running your business?

### Homework:

1. Define your business operations by responding to all the questions provided in today's session.
   a. You'll likely find that you're missing a lot of information needed to answer these questions.
   b. You should go out in the community and conduct research to make sure that you collect accurate information about your business costs.
2. Categorize each cost as —Start-up, —Direct‖ or —Indirect‖.
3. Visit with wholesale vendors to obtain prices of your product/service's materials.
4. Conduct the calculation of cost per unit (direct and indirect costs) for your own business.
5. Determine your selling price:
   a. Visit with potential customers.
   b. Consider your competitor's price.
   c. Consider the cost per product/service.
6. Estimate your daily, weekly and monthly sales income using different scenarios.
Handout 1: Costing & Pricing

After having presented your business idea, how do you feel? What have you learned?

_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________

Step 1: Define Business Operations and the Three Types of Costs

How is my business going to function?

In order to determine how your business is going to function, you must determine the operations of the business, or more specifically, you must outline everything you’ll do to run your business effectively. A way to uncover all the necessary costs is to ask yourself: what are some expenses/costs you would come across in running your business?

Other questions to uncover all the necessary costs:
  o What type of facility is necessary to house your business?
  o What materials do you need to produce your product/service?
  o Who will do what to make the product/service? How many people are involved?
  o Does the product require packaging? What kind?
  o What transportation do you need to move your materials and/or to sell your product?
  o If applicable, how many items will you make in one production cycle?

What are all the things we will need in order for Chapati Chap Chap to function?

_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
Once having detailed all the things necessary for your business to function, you are going to separate these things into three categories: the three types of costs.

The three types of costs:

1. ____________________ 2. ____________________ 3. ____________________

1. **Startup Costs**

What are the startup costs?

Respond to the following questions: In order to start my business will I need or have;

- Machinery or equipment?
- Construction costs?
- Furniture (tables, chairs, pens, pencils, desks, notebooks, paintings, a generator, etc...)?
- Legal demands?
- Initial marketing costs?

Why are start-up costs important?
Accurately calculating start-up costs is important so that you have a clear idea of your initial financial needs. This can help you know whether or not the scope of your business is realistic and/or what additional resources you’ll need to make it so.

The startup costs for Chapati Chap Chap:

_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________

2. The Direct Costs

What are the direct costs?

_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________

The direct costs for Chapati Chap Chap:

_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
_______________________________________________________________________________
3. The Indirect Costs

What are the indirect costs?

The indirect costs for *Chapati Chap Chap*:
Review…

Why do you think it’s important to be aware of classifying these three different types of costs?

_______________________________________________________________________________

_______________________________________________________________________________

_______________________________________________________________________________

_______________________________________________________________________________

_______________________________________________________________________________

Homework

1. Define your business operations by responding to all the questions provided in today’s session.
   • You’ll likely find that you’re missing a lot of information needed to answer these questions.
   • You should go out in the community and conduct research to make sure that you collect accurate information about your business costs.

2. Categorize each cost as —Start-up, —Direct or —Indirect.
Step 2: Calculate the Cost per Unit, Determine the Selling Price, And Estimate Sales Income

Calculate the Cost per Unit

The direct and indirect costs are included in the calculation of product cost. The goal with the calculation of costs is to find the production cost to the entrepreneur per unit.

\[
\text{Direct Costs per Unit} + \text{Indirect Costs per Unit} = \text{Total Cost per Unit}
\]

Why calculate the unit cost?

1. To establish your prices.

   If you know the total of your costs, you can then establish your selling prices to obtain a profit

2. To minimize and control your expenses.

   If you know all of your costs, you will be able to find the best means of producing and selling your goods and services.

3. To make better decisions concerning your business.

   Knowing the costs of each of your products or services in detail will help you make better sales decisions in order to obtain a sufficient profit

4. To plan.

   Knowing the details of all of your costs well will help you plan. For example, you need to know all of your costs before being able to plan your sales and costs or your liquidity flow.
Calculate the Cost per Unit: Chapati

1. Direct Costs per Chapati

<table>
<thead>
<tr>
<th>Direct Cost</th>
<th>What we need</th>
<th>How much (quantity)</th>
<th>Cost for (quantity)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Materials</td>
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<td>Packaging</td>
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<tr>
<td>Transportation</td>
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</tbody>
</table>

Total Direct Costs (for 10 Chapati)

Total Direct Costs per Chapati
2. Indirect Costs per Mandazi

E. Calculate the total indirect costs per month.
F. Find the hours of operation per month.
G. Estimate the amount of product sold per month.
H. Calculate the indirect costs per unit.

Remember, in order to find the total direct cost per Chapati, we used one specific quantity, but to find the total indirect costs per Chapati we will use a forecast of the total sold.

A. Calculate the total indirect costs per month:

<table>
<thead>
<tr>
<th>Indirect Costs</th>
<th>Cost per Month</th>
<th>Costs per Month</th>
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</table>

Total Indirect Per Month

B. Find the hours of operation per month:

Chapati Chap Chap is open:

- _______ hours per day
- _______ days per week
- _______ days per month

Hours open per month

C. Estimate the amount of the product sold per month:

\[
\text{Hours open per month} \times \text{Estimation of product sold per hour} = \text{Estimation of product sold per month}
\]

\[
\text{______ hours} \times \text{______ Chapati} = \text{______ Chapati per month}
\]
D. Calculate the indirect costs per Chapati:

\[ \frac{\text{Total indirect costs per month}}{\text{Estimation of units sold per month}} = \text{Indirect costs per unit per Chapati} \]

\[ \text{__________ Kshs. per month} \]
\[ \text{__________ Chapati per month} = \text{__________ Kshs. per Chapati} \]

3. Total Cost per Chapati

\[
\begin{align*}
\text{Direct Costs per Unit} + \text{Indirect Costs per Unit} &= \text{Total Cost per Unit} \\
&= \\
&= \\
\end{align*}
\]

To produce a Chapati it will cost _________________ Kshs!

**Determine the Selling Price and Calculate the Profit per Unit**

\[
\begin{align*}
\text{Selling Price per Unit} - \text{Cost per Unit} &= \text{Profit per Unit} \\
&= \\
\end{align*}
\]

When determining your price, in order to think about more than simply a desired profit, you should consider the following questions…
- After talking with potential clients, what is an acceptable price for your product?
- What are the prices of your competitors?
- If your price is higher, why should the client buy from you? Does the demand already exist?

**Calculate the profit per Chapati:**

\[
\begin{align*}
&= \\
\end{align*}
\]

I have decided that a price of ____________Kshs and a profit of ____________ Kshs for Chapati isn’t only acceptable, but desirable!
Estimate Sales Income

Currently, you know your profit per unit. With this information, you can estimate the revenue and profit in order to plan for different situations.

After my market research, I believe that in the beginning I will sell 15 Chapati per day…

Daily:

\[
15 \text{ Chapati} \times \frac{\text{Ksh}_1}{\text{s}} = \underline{\text{of income per day}}
\]

\[
\frac{\text{Ksh}_1}{\text{s}} \times \underline{\text{of profit per day}}
\]

Weekly:

6 (days per week) \times \underline{\text{Kshs of income}} = \underline{\text{of income per week}}

\[
\frac{\text{Ksh}_1}{\text{Profit}} \times \underline{\text{of profit per week}}
\]

Monthly

26 (days per month) \times \underline{\text{Kshs of income}} = \underline{\text{of income per month}}

\[
\frac{\text{Ksh}_1}{\text{Profit}} \times \underline{\text{of profit per month}}
\]

If I sell 20 Chapati per day…
If I sell 30 Chapati per day…

Review…

With the estimation of sales income, you can plan for different situations. Moreover, after you start, you can have an idea of when you can reimburse your loans, finish the payments for your start-up costs, become profitable, hire another employee, etc…

Why is calculating the cost per unit important for your business?

_______________________________________________________________________________

_______________________________________________________________________________

_______________________________________________________________________________
How can the estimation of sales income help an entrepreneur?

Homework

Exercise:
- Visit with wholesale vendors to obtain prices of your product/service’s materials.
- Conduct the calculation of cost per unit (direct and indirect costs) for your own business.
- Determine your selling price:
  - Visit with potential customers.
  - Consider your competitor’s price.
  - Consider the cost per product/service.
- Estimate your daily, weekly and monthly sales income using different scenarios.
**Session 4.4: Book-Keeping Tools**

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<tbody>
<tr>
<td>1.</td>
<td>Welcome and introductions where necessary.</td>
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<tr>
<td>2.</td>
<td>Recap the previous session</td>
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<td>3.</td>
<td>Write the topic <em>Book-Keeping Tools</em> on the Flipchart</td>
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</tbody>
</table>

**Materials Required:**

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<td>1.</td>
<td>Whiteboard and markers, or Flipchart with papers</td>
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<td>2.</td>
<td>Writing materials</td>
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<td>3.</td>
<td>Prepare headings on flipcharts or boards for the various handouts</td>
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**Objective:**

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

1. To become aware of the importance of record-keeping for managing a business successfully
2. To learn about basic financial records and calculation tools for a business

**Learning Out comes:**

Ability to:

1. Create and maintain business records.  
2. Prepare cash flow plans

**Training Methods:**

- Presentation  
- Group Discussion  
- Individual exercises  
- Plenary discussion

**Trainer Preparations:**

1. For step 1 of the exercise, bring along actual local record-keeping books (examples of the business of the trainers and/or participants with an individual, family or group business).

**Time ACTIVITIES**

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<th>Notes for the Trainer</th>
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<tr>
<td>This exercise familiarizes participants with bookkeeping and financial management tools. It does not include calculation exercises for Profit and Loss or Cash Flow Statements.</td>
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**Step 1**

Refer to *Session on Managing Your Money*, in which participants discussed ways to control to cash.

**What is record-keeping?** Introduce the topic by asking what the participants know about book-keeping, and ask if they currently keep records or have done so before. Encourage participants to share even the most rudimentary methods of ‘keeping track’ of where the money goes. Also with low-literacy groups, try and find illustrations based on local knowledge and experiences.

Give examples of money coming in and going out of a business. Seek more examples from participants.

Refer to Session on *Managing Your Money* on the advantages of keeping records.

Summarize the discussion as follows:
- **Records help you control your cash**: Your records show how much money the business should have at any point. Use the records to make sure that money does not disappear or is unaccounted for.

- **Records show YOU how your business is doing**: Your records help you find problems before it is too late. Use your records to find out if something is going wrong, if costs are too high, if sales are falling, if there is a leakage point (yourself or another person misusing the money), and so on.

- **Records show OTHERS how your business is doing**: You need proper records when you apply for a loan and pay your taxes. Use your records to show that everything is in order and that you are in control of your business.

- **Records help you plan for the future**: Records show how well your business did in the past and how well it is doing now. When you know your business strengths and weaknesses, you can properly plan for the future.

- **Records help you to remember debtors and creditors**: Your records help you to know the total amount of money that you should receive from your customers as well as their names. They also help you to remember the amount of money you still have to pay to others (your suppliers for example).

The record-keeping system should be as simple as possible. Explain that the system should include the information you need to put on record for your financial management - and not more than that!

Relate the discussion to gender equality by asking the participants:

- Who, you or your spouse, usually does record keeping? Why?
  - They may answer that husbands usually do it because women cannot read or write (no equal access to education) or they are very busy with household activities (unequal division of workload).
  - Point out that if only the husband does the record-keeping, it may lead to problems. For example, women may not have all the necessary information about the transactions that have taken place and will not be able to participate fully in decision-making about the business.
  - Discuss what can be done to encourage/enable women to also participate in record keeping.
  - Another problem is that women may do all the record keeping but have no decision making role. They will have to learn to negotiate for agreement on decision making. Discuss possible ways of encouraging husbands and wives to do this.

**Step 2**

Tell the participants that they are going to learn how to make entries in the Cashbook and the Customer Account Record.

Put *Handout 2: Cashbook* and *Handout 3: Customer Account Record* on the board. Explain the meaning of each column.

Give some examples as follows:
- Last week Monday a woman sold 10 lemons for 10,000 cash;
- On the same day the woman paid 3,000 for plastic bags;
- The next day she sold 100 lemons to a restaurant for 60,000. Payment will be in 5 days;
- On Saturday the woman was paid 60,000 by the restaurant.

Demonstrate how to record these transactions. Explain to the participants that at any moment in time, the business woman can see how much cash she should have in hand.

Give more examples and invite a participant to make the entries. Make corrections as needed.

Note: Examples involving both cash and credit sales/purchases will make participants understand how the Customer Account Record works. However, the examples may be difficult for some groups. If this is the case, you may start with cash transactions first and introduce sales/purchases on credit once the participants understand how the Cash Book works.

Encourage participants to raise questions about how to keep records and address them as needed.

**Step 3**

Distribute copies of *Handout 2: Cashbook*, *Handout 3: Customer Account Record* and *Handout 4: Mrs. Juma’s Shop*. Go through the details in *Handout 4: Mrs. Juma’s Shop* with the participants and make clarifications if required.

Let participants work in pairs during 20 minutes. Ask them to fill in the Cashbook and the Customer Account Record on the basis of the data in *Handout 4: Mrs. Juma’s Shop*.

Ask a pair to present their work on the board. When they have finished, ask for questions/comments from others and let the participants address them.

**Step 4 (optional for Start Ups)**

If the participants require more advanced record-keeping tools, you may introduce the record book, the bank book, the voucher system and the profit & loss statement. Explain the relevant basic record-keeping tools (see below) and invite participants to select which ones they would want to start using in their business.

1. **Record Book:** Show the example of a record book *Handout 5: Record Book-Blank*. Explain that a record book is a more complicated version of a cash book. It is the center of your record keeping. For each transaction made, you write down not only the amount of money paid or received, but also what the money was used for or earned for, in separate columns. Usually there will be columns for “sales”, “raw materials”, “labour costs”, “equipment”, “electricity” etc.

   Explain the advantage of the record book over the cash book. With the record book, the business woman can easily see how much she sold each month. She can also see how much she spent on raw materials, labour costs, electricity etc. Explain to the participants that it is important to make the entries at the moment the transaction takes place.
2. Bank Book: if you have an account with a bank or village group, you need to keep track of the changes in your bank account book.

Note: If you put cash money from your business into your bank account, you should note this in your record book as ‘money out’ and in your bank book as ‘money in’.

3. Vouchers: Vouchers are a written proof of a transaction, even for small amounts such as postage stamps or cash sales of low value. In record-keeping systems, receipts and any other written proof of transactions are called vouchers. Some examples of written proof are:

- copies of receipts you give to customers when they buy from you
- receipts or invoices you get when you buy goods or raw materials, or receipts when you pay rent or electricity.

If there is no written proof, you need to write down the details about the transaction yourself on a sheet of paper: when, who, what and how much money came in or went out. If there are mistakes in your record-keeping, the vouchers will help you to find out where the mistakes are, because they are ‘the proof’ of what happened (the transaction).

Give each voucher a number (no. 1 = first entry in the year and so on). After you have recorded all the vouchers in your Record Book, file all vouchers in number order.

4. Profit and Loss (P&L) Statement: To see how your business is doing, use the information from the Record Book to prepare a Profit and Loss Statement:

- You can group similar items such as sales; purchases of materials; wages, and frequent items of expense. These appear as one figure in the Profit and Loss Statement to represent all transactions within the entire period covered by the Statement.
- To complete the Profit & Loss Statement, you have to subtract all costs from your sales. When sales are higher than costs, your business is likely to be making a profit. When sales are lower than costs, your business is likely to be making a loss.
- Every larger business should have a P&L Statement at the end of every year. Some businesses also do P&L Statements every month, after three months, or after six months.
- Show the P&L example of the ‘Women Weaving for Wealth’ Village Group Business (training aid 23.6), and go through the figures. Ask the participants: Do they make a profit every month? The answer is: No. Ask: Is this a problem? The answer is: No, if they do a P&L statement, then they know they will not have income 2 months every year when they have no time for weaving, in 2 other months they make a lot so over the whole year their business is profitable. The answer is: Yes, if the women do not do a P&L statement. Some of them, especially the new ones may be shocked to learn that in some months they will not receive any income.

After discussing these 4 key record-keeping tools show the participants the flowchart ‘How the Record-Keeping System Works’, so they get a picture of the overall record-keeping system. **Handout 7: How the Record-Keeping System Works.**
Step 5 (optional for Start Ups)

Explain that many businesses use a Cash Flow Plan. This is a forecast which shows how much cash you expect to come in and to go out of your business each week or each month. It helps you to make sure that your business does not run out of cash at any time.

Show *Handout 8: Cash Flow Chart* and explain it as follows:

A cash flow plan is usually prepared to cover several months, say 3–12 months. It contains several entries for cash in, and several entries for cash out.
### The Cash Flow Chart

#### Cash In:
- Cash at the start of the month
- Cash in from sales
- Any other cash in

#### Cash Out:
- Cash out for material costs
- Cash out for labour costs
- Cash out for overhead costs
- Cash out for planned investments (e.g. in equipment)
- Any other cash out

**TOTAL CASH IN** Minus **TOTAL CASH OUT**

#### Remaining Cash at the end of the month

As a business person, you have to make sure that you have enough cash to pay for your costs. Even if over a period of a whole year your business makes a good profit, you might face cash shortages during the year. Ask participants for some examples and summarize as follows:

- You have to buy goods or raw materials to be able to make your products before you can sell anything. This means that cash goes out before any cash comes in.
- You sell products on credit: your clients buy products but only pay you later.
- You have to pay rent or registration fees at the beginning of the year, this also makes that cash goes out before cash comes in.

In order to find out whether you will have enough cash all year round, it is useful to make a cash flow plan like the one Fatuma prepared for her Trade Shop. Show **Handout 9: Cash Flow Plan No. 1 of Fatuma’s Trade Shop** and discuss it. Ask the participants whether there is always sufficient cash in this business. The answer is no, because she allows many customers to buy on credit.

Invite participants to identify the usefulness of making cash flow plans and summarize as follows:

- You receive a warning in advance about future cash shortages
- You have more control over the flow of cash (cash in – cash out)
- You can anticipate and solve cash flow problems before they happen
- You can have cash ready when you need it.

**Step 6 (optional for Start Ups)**

Debtors and creditors: Introduce the concepts of debtors and creditors:

- Those who owe the business money are usually referred to as debtors (or
Those to whom the business owes money are usually called creditors (or payables).

Discuss what the effects of debtors and creditors are and how you can see this on your cash-flow plan. Go back to the example of Fatuma’s Trade Shop. In March there was not enough cash in the business. Show participants Fatuma’s second cash flow plan Handout 10: Cash Flow Plan No. 1 of Fatuma’s Trade Shop: Imagine that all Fatuma’s debtors pay her 1 month earlier. Would there always be enough cash in the business? Yes! Does the business make more profit? No! (Unless Fatuma would be able to charge interest to those who never pay on time). Inform participants that credit sales are a main reason for business failure, because many people fail to pay their debts. Distribute a copy of Handout 11: Cash Flow Plan: Blank if participants are interested.

Step 7

In conclusion, summarize the Key Learning Points on Financial Management and distribute a copy to participants Handout 12: Key Learning Points on Financial Management.

Figure out your costs including labour costs. You have the business to earn money for yourself and your family. TIME is MONEY. When you run your business, you can not do something else. Ask yourself: Do I have the time? Will the business earnings be big enough to justify the time I spend on it?

- Figure out your break-even point. This is the minimum amount you need to make to cover all your costs. Your profit is the money left over after you have covered all your expenses.
- Set your price! This will depend on how much it costs to run your business, on the prices charged by your competition and on what your clients are willing to pay for your product.
- Make decisions based on your sales predictions and your expenses. Be realistic, and don’t be afraid to look at your numbers a couple of times.
- Maintain a bookkeeping system. Check regularly whether the amount of cash in your business is in accordance with your record book.

Do these financial exercises not once but continuously. Keep your book-keeping system up-to-date and check regularly whether you are making a profit and whether you will have enough cash for the coming weeks or months.

Step 8: Role play (optional)

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

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

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

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

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

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

**Generalization:** Agree on common answers for the questions

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

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<tr>
<th>5 Min</th>
<th>CHECK LEARNING POINTS</th>
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<tbody>
<tr>
<td></td>
<td>Please mention what you have learnt during this session.</td>
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</table>

Ensure the following are mentioned:
- Advantages of keeping records
- Record keeping tools
- How to make entries in the various record keeping tools
- Preparing profit and loss statement

<table>
<thead>
<tr>
<th>5 Min</th>
<th>SUMMARY</th>
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<tbody>
<tr>
<td></td>
<td><strong>Figure out your costs including your labour costs.</strong> You have the business to earn money for yourself and your family. TIME is MONEY. When you run your business, you can not do something else. Ask yourself: Do I have the time? Will the business earnings be big enough to justify the time I spend on it?</td>
</tr>
<tr>
<td></td>
<td><strong>Figure out your break-even point.</strong> This is the minimum amount you need to make to cover all your costs. Your profit is the money left over after you have covered all your expenses.</td>
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</table>
- **Set your price!** This will depend on how much it costs to run your business, on the prices charged by your competition and on what your clients are willing to pay for your product.

- **Make decisions based on your sales productions and your expenses.** Be realistic, and don’t be afraid to look at your numbers a couple of times.

- **Maintain a bookkeeping system.** Check regularly whether the amount of cash in your business is in accordance with your record book.

- **Do these financial exercises not once but continuously.** Keep your book-keeping system up-to-date and check regularly whether you are making a profit and whether you will have enough cash for the coming weeks or months.

**Homework:**
Practice making entries in all the Record Keeping Tools provided – Handouts 2; -6; 9-11.
Handout 1: What is Record-Keeping?

Record-keeping means writing down:

- How much money your business receives
- How much money your business pays out
- How much different people owe you
- How much you owe to other people
Handout 2: Cashbook: Blank

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<tr>
<th>Date</th>
<th>Operation/Transaction</th>
<th>Money out</th>
<th>Money in</th>
<th>Balance</th>
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Handout 3: Customer Account Record: Blank

Customer:

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<tr>
<th>Date</th>
<th>Details</th>
<th>Quantity</th>
<th>Credit Sales</th>
<th>Amount Paid</th>
<th>Balance</th>
<th>Signature</th>
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</tbody>
</table>
Handout 4: Record-keeping of Ms. Sara’s Shop

Early in the morning of 1/9 Ms. Sara has 300,000 in her grocery shop.

1/9: Ms. Sara sold Mrs. Banda 100 groceries for 70,000. Mrs. Banda paid 20,000 in cash and owed 50,000.

2/9: Ms. Sara paid 150,000 for 300kg of soy beans

2/9: Ms. Sara received 40,000 from selling her groceries

3/9: Ms. Sara sold Mrs. Banda groceries for 35,000 on credit

4/9: Mrs. Banda paid Ms. Sara 70,000

Please record the business transactions in Ms. Sara’s record-keeping system.
You need to control the money in your business. For each transaction that takes place, enter the amount of the income or expenditure in the cash or bank columns.

You need to know what you spent your money on. For each expenditure, enter the amount in the column that tells you what the money was spent on. At the end of the month, you can now easily see what you spent on the different cost categories.
Handout 6: Profit & Loss Statement of the 'Women Weaving for Wealth' Village Group Business

<table>
<thead>
<tr>
<th>Months</th>
<th>1st</th>
<th>2nd</th>
<th>3rd</th>
<th>4th</th>
<th>5th</th>
<th>6th</th>
<th>7th</th>
<th>8th</th>
<th>9th</th>
<th>10th</th>
<th>11th</th>
<th>12th</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Income</td>
<td>20</td>
<td>10</td>
<td>20</td>
<td>10</td>
<td>50</td>
<td>20</td>
<td>0</td>
<td>20</td>
<td>50</td>
<td>20</td>
<td>0</td>
<td>20</td>
<td>240</td>
</tr>
<tr>
<td>Expenses</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>120</td>
</tr>
<tr>
<td>Profit or Loss each month</td>
<td>10</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>40</td>
<td>10</td>
<td>(10)</td>
<td>10</td>
<td>40</td>
<td>10</td>
<td>(10)</td>
<td>10</td>
<td>120</td>
</tr>
<tr>
<td>Accumul. Profit or Loss</td>
<td>10</td>
<td>10</td>
<td>20</td>
<td>20</td>
<td>60</td>
<td>70</td>
<td>60</td>
<td>70</td>
<td>110</td>
<td>120</td>
<td>110</td>
<td>120</td>
<td>120</td>
</tr>
</tbody>
</table>
Handout 7: How the Record-Keeping System Works

- **Credit sales**
  - Customer Account Record
  - Customer pays account

- **Cash paid into the business**

- **Cash paid out from the business**

- **Record Book Bank Book Voucher System**

- **Profit & Loss Statement**
Handout 8: The Cash Flow Chart

Cash In:
- Cash at the start of the month
- Cash in from sales
- Any other cash in

Cash Out:
- Cash out for direct material costs
- Cash out for direct labour costs
- Cash out for indirect costs
- Cash out for planned investments (e.g. in equipment)
- Any other cash out

TOTAL CASH IN minus TOTAL CASH OUT

Remaining Cash at the end of the month
### Handout 9: Cash Flow Plan No 1 of Fatuma’s Trade Shop

<table>
<thead>
<tr>
<th>Months</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money available at start of month (Opening Balance)</td>
<td>7000</td>
<td>5400</td>
<td>3800</td>
<td>-2300</td>
<td>2400</td>
<td>1350</td>
</tr>
<tr>
<td>Cash Sales</td>
<td>7500</td>
<td>6000</td>
<td>6000</td>
<td>6000</td>
<td>7500</td>
<td>12500</td>
</tr>
<tr>
<td>Cash from Credit Sales</td>
<td>-</td>
<td>2500</td>
<td>2000</td>
<td>2500</td>
<td>2500</td>
<td>1500</td>
</tr>
<tr>
<td>Other money in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Money in this month</td>
<td>14500</td>
<td>13900</td>
<td>11800</td>
<td>18200</td>
<td>12400</td>
<td>15350</td>
</tr>
</tbody>
</table>

### CASH OUT

<table>
<thead>
<tr>
<th>Cash Purchases</th>
<th>2000</th>
<th>3000</th>
<th>4000</th>
<th>3000</th>
<th>3000</th>
<th>5000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash paid for credit purchases</td>
<td>-</td>
<td>-</td>
<td>500</td>
<td>750</td>
<td>1000</td>
<td>750</td>
</tr>
<tr>
<td>Rent</td>
<td>3000</td>
<td>3000</td>
<td>3000</td>
<td>3000</td>
<td>3000</td>
<td>3000</td>
</tr>
<tr>
<td>Loan repayment</td>
<td>-</td>
<td>-</td>
<td>1000</td>
<td>-</td>
<td>-</td>
<td>1000</td>
</tr>
<tr>
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<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
<td>-------</td>
</tr>
<tr>
<td><strong>Interest on loan</strong></td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>550</td>
<td>550</td>
<td>550</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>1500</td>
<td>1500</td>
<td>3000</td>
<td>6500</td>
<td>1500</td>
<td>3000</td>
</tr>
<tr>
<td><strong>Total Money out this month</strong></td>
<td>9100</td>
<td>10100</td>
<td>14100</td>
<td>15800</td>
<td>11050</td>
<td>15300</td>
</tr>
<tr>
<td><strong>Money present at end of month (Closing Balance)</strong></td>
<td>5400</td>
<td>3800</td>
<td>-2300</td>
<td>2400</td>
<td>1350</td>
<td>50</td>
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</tbody>
</table>
Imagine: All debtors pay one month earlier:

<table>
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<tr>
<th>Months</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money available at start of month (Opening Balance)</td>
<td>7000</td>
<td>7900</td>
<td>5800</td>
<td>200</td>
<td>4900</td>
<td>2850</td>
</tr>
<tr>
<td>Cash Sales</td>
<td>7500</td>
<td>6000</td>
<td>6000</td>
<td>6000</td>
<td>7500</td>
<td>12500</td>
</tr>
<tr>
<td>Cash from Credit Sales</td>
<td>2500</td>
<td>2000</td>
<td>2500</td>
<td>2500</td>
<td>1500</td>
<td></td>
</tr>
<tr>
<td>Other money in</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>12000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Money in this month</td>
<td>17000</td>
<td>15900</td>
<td>14300</td>
<td>20700</td>
<td>13900</td>
<td>15350</td>
</tr>
<tr>
<td>CASH IN</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash Purchases</td>
<td>2000</td>
<td>3000</td>
<td>4000</td>
<td>3000</td>
<td>3000</td>
<td>5000</td>
</tr>
<tr>
<td>Cash paid for credit purchases</td>
<td>-</td>
<td>-</td>
<td>500</td>
<td>750</td>
<td>1000</td>
<td>750</td>
</tr>
<tr>
<td>Rent</td>
<td>3000</td>
<td>3000</td>
<td>3000</td>
<td>3000</td>
<td>3000</td>
<td>3000</td>
</tr>
<tr>
<td>Loan repayment</td>
<td>-</td>
<td>-</td>
<td>1000</td>
<td>-</td>
<td>-</td>
<td>1000</td>
</tr>
<tr>
<td>Interest on loan</td>
<td>600</td>
<td>600</td>
<td>600</td>
<td>550</td>
<td>550</td>
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</tr>
<tr>
<td>Others</td>
<td>1500</td>
<td>1500</td>
<td>3000</td>
<td>6500</td>
<td>1500</td>
<td>3000</td>
</tr>
<tr>
<td>Total Money out this month</td>
<td>9100</td>
<td>10100</td>
<td>14100</td>
<td>15800</td>
<td>11050</td>
<td>15300</td>
</tr>
<tr>
<td>CASH OUT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money present at end of month (Closing Balance)</td>
<td>7900</td>
<td>5800</td>
<td>200</td>
<td>4900</td>
<td>2850</td>
<td>50</td>
</tr>
</tbody>
</table>
## Handout 11: Cash Flow Plan: Blank

<table>
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<th>Months</th>
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<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH IN</strong></td>
<td>Money available at start of month (Opening Balance)</td>
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<td></td>
<td>Cash Sales</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Cash from Credit Sales</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Other money in</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Total Money in this month</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH OUT</strong></td>
<td>Cash Purchases</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cash paid for credit purchases</td>
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<td>Wages</td>
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<tr>
<td></td>
<td>Rent</td>
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</tr>
<tr>
<td></td>
<td>Loan repayment</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Interest on loan</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Others</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Total Money out this month</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Money present at end of month (Closing Balance)</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Handout 12: Key Learning Points on Financial Management

- Figure out your costs including your labour costs. You have the business to earn money for yourself and your family. **TIME is MONEY.** When you run your business, you can not do something else. Ask yourself: Do I have the time? Will the business earnings be big enough to justify the time I spend on it?

- Figure out your break-even point. This is the minimum amount you need to make to cover all your costs. Your profit is the money left over after you have covered all your expenses.

- Set your price! This will depend on how much it costs to run your business, on the prices charged by your competition and on what your clients are willing to pay for your product.

- Make decisions based on your sales productions and your expenses. Be realistic, and don’t be afraid to look at your numbers a couple of times.

- Maintain a bookkeeping system. Check regularly whether the amount of cash in your business is in accordance with your record book.

- Do these financial exercises not once but continuously. Keep your book-keeping system up-to-date and check regularly whether you are making a profit and whether you will have enough cash for the coming weeks or months.
### Session 4.5: Management of Self and Others

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the *Management Of Self and Others* on the Flipchart

### Materials Required:

1. Flip Chart paper / Manila papers
2. Masking tape
3. Marker pens
4. Ruffled paper
5. Drinking straws
6. Glue
7. Old newspapers/ magazines/ used calendars

### Objective:

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

1. Increase the awareness and self-confidence of women entrepreneurs to act as managers and ‘leaders’ in the enterprise.
2. Enable women entrepreneurs make best use of the resources, skills and motivation of themselves and others in their business.

### Learning Outcomes:

The aim of this training module is to enable practicing and potential entrepreneurs to transfer specific knowledge, skills and values gained in the simulated experiences of their actual working environment during training that may help them become more aware of the skills and traits required to help them become successful entrepreneurs. In addition, the entrepreneurs are expected to increase their self confidence in managing their enterprises.

### Training Methods:

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

### Time | ACTIVITIES
--- | ---
60 Min | **Introduction**

People are the most important resources for any business or organization. People manage and organize businesses according to different management styles and experiences. Many women are excellent business managers. However, their special skills and competencies as managers often remain under-utilized and the subject of organization and management has often been neglected in training programmes for women entrepreneurs with little educational background, assuming that they do not need managerial skills.

1. Recap of the previous modules as you introduce the concept of management
   - Create a group of 5 participants considering their literacy levels.
   - Ask the group to identify a group leader

**Tip:** Provide adequate materials for the participants

2. Build the Tower - Ask participants who they consider skills they require as business leaders
- Ask participants state the activities undertaken by women from the time they wake to the time they sleep as you introduce the activity to be undertaken.
- Share the activity to "Build the Tower". Time participants for 20 mins
- For the next 10 mins, ask participants to share their experiences
- Highlight the types of leaders and state the key skills each business owner should cultivate for business success

**Tip:** Allow the participants to share their understanding of terms before explaining to them.

3. Case study of Musa Family
   - Follow steps outlined to administer the case and summarize the findings on the chart provided in plenary

*Note:* There may be quiet participants in the group. The Trainer must ensure that they have understood the concepts taught

<table>
<thead>
<tr>
<th>5 Min</th>
<th>CHECK LEARNING POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Please mention what you have learnt during this session.</td>
</tr>
</tbody>
</table>

Ensure the following are mentioned:
- People are the most important resources for any business or organization.
- People manage and organize businesses according to different management styles and experiences.
- Skills required for managing a business
- Importance of Job Descriptions
- Helping and hindering factors in managing a business

<table>
<thead>
<tr>
<th>5 Min</th>
<th>SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>the importance of management skills for business owner;</td>
</tr>
<tr>
<td></td>
<td>Importance of developing job descriptions interviews for employees of a business;</td>
</tr>
<tr>
<td></td>
<td>Understanding helping and hindering factors that may affect the business.</td>
</tr>
</tbody>
</table>

**Homework:**
Each participant will critically analyze their business. Based on the analysis, they will identify and complete the take home exercise of Management of Family or Group Business: Inventory. (This take home is also included in the participants manual)
Handout 1: Building the Tower

Step 1

Women are often good managers. They do many things at the same time. Ask the participants to describe all the duties and tasks that they usually ‘manage’ during one day, from waking up in the morning to going to bed in the evening, including all household and productive activities. Note down all the examples of tasks they come up with on a flipchart.

Step 2

Divide the participants into small groups of 5 to 6 persons each. Explain that they will have the opportunity to test their own management and leadership skills in the group. Together, they are asked to build a paper tower with the materials provided. The quality of their towers will be judged according to three selection criteria:
  ✓ **Height**: The taller the tower the better
  ✓ **Strength**: The stronger the tower the better
  ✓ **Creativity**: How creative is the final product?

Step 3

Ask all groups to stop when the time for the assignment is over. The training team does a first assessment and determines the strong and weak points of each of the towers based on the above selection criteria.

Ask the managers how they feel. Ask them about their management strategy.
  ✓ Did you assign tasks to different group members?
  ✓ Did you also work on the tower or did you prefer to supervise and check the overall progress?
  ✓ Did people do what you told them?
  ✓ Did people spontaneously do what needed to be done?
  ✓ Did you ensure that everybody was working?

Then ask the other participants how they feel.
  ✓ Are you satisfied with the paper tower of your group?
  ✓ How were tasks managed in the group while creating the tower?
  ✓ What helped or hindered the achievement of your goal?
  ✓ What can you say about the role of your team leader and group members during the process of building the tower?
  ✓ Were you satisfied with her management style and the team work? Why, or why not?

Invite all participants to select one (or more) “winning tower(s)”. Ask the participants to reflect whether the teamwork and leadership in the “winning group(s)” contributed to their success, or not.

Step 4

Emphasize the learning points that show the 'recipe for success' of management, for example: focusing on the delivery of tasks to reach a goal; acting as team-players; sharing of the overall
work but division of tasks, using individual strengths; contributing to the success of the whole team (no one-woman or one-man show!); supervision of work flow; etc.

Sum up the discussions by going through the list of key management skills.
Ask participants if they see any differences in the management characteristics and styles of women and men. Common gender stereotypes will come up such as: Men are good in leadership, goal setting and risk taking. Women are good in cooperation, relations, caring, accountability and honesty.

If you look carefully at the key management skills to see any differences in the management characteristics and styles of women and men, common gender stereotypes will come up such as: men are good in leadership, goal setting and risk taking. Women are good in cooperation, relations, curing, accountability and honesty.

Step 5

Introduce three different management styles which have been common in different types of enterprises over the years.
Ask the participants what management style they are familiar with. What are the advantages and disadvantages of the two styles? Conclude that the people-centered management style has many advantages, i.e. staff motivation. But the traditional or hierarchical style may sometimes be needed to get things done.

Step 6

Conclude the session by emphasizing the key points
Handout 2: Key Management Skills

As a manager you need to:

1. Take initiative.
2. Pursue goals and a vision.
3. Set a systematic plan to reach your goals and be keen on achieving results to reach your goals.
4. Create personal time.
5. Delegate where possible with clear instructions.
6. Get help from professionals where you lack adequate skills and learn from them.
7. Embrace technology in your business/home to enable you be more effective.
8. Be practical about things and get them done.
9. Set your goals systematically - use a planner or a to-do list and tick off each activity you complete.
10. Take calculated risks: collect information and select the best alternative.
11. Be able to grasp opportunities and be flexible; involve others in accomplishing the task: cooperation, coordination, delegation, trust.
12. Be honest and accountable; create solidarity between different groups and interests in the business, the family, the community and the society.

NB: Include other skills as listed by the participants.

Good management requires a combination of the above-mentioned ‘masculine and ‘feminine’ characteristics which all all-round managers should have.

Often, therefore, men and women need capacity building in the skills they lack to become good managers.

Ask participants to list for themselves their strong management skills and the areas that they would like to improve. Encourage participants to focus on the strengths to be used, and not so much on the weaknesses to be overcome.

Management Styles

1. Traditional/hierarchical style- Emphasis should be on achieving the business’ goals no matter what! Leaders tend to make hierarchical decisions and dictate work methods from ‘above’.

2. People-centered style- Emphasis on motivating people, teamwork and on involving the group in decision-making.

3. The people-centered management style has many advantages like staff motivation. However, the traditional or hierarchical style is essential in getting things done.
Handout 3: Guiding and Hindering Factors in Business

As a guiding help for Trainers, some of the most common help and hindering factors are:

<table>
<thead>
<tr>
<th>Type of business</th>
<th>Helping Factors</th>
<th>Hindering Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual Business</td>
<td>- I can control the business</td>
<td>I have difficulties in coping with all the work: organizing and making products or delivering services at the same time</td>
</tr>
<tr>
<td></td>
<td>- I can take quick decisions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- I have freedom to do what I want</td>
<td></td>
</tr>
<tr>
<td>Family or group Business</td>
<td>- I can trust my family or business partners when we have to make difficult decisions.</td>
<td>- Decisions take too long and are often not accepted by all members</td>
</tr>
<tr>
<td></td>
<td>- There is strength in numbers- More people can do more to the business</td>
<td>- My family or business partners do not take me</td>
</tr>
<tr>
<td></td>
<td>- Everybody can contribute</td>
<td>- I cannot take any to the business decisions, because my family or business partners consider that I am too young.</td>
</tr>
</tbody>
</table>

✓ The Trainer will take participants through the matrix below to review the activity on Building the Tower to help them appreciate the management skills they require to manage their enterprises.

Help & Hinder Action Planning Matrix

<table>
<thead>
<tr>
<th></th>
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Handout 4: The Family Business: Sharing Work, Decision Making and Income

The Trainer will take participants through the case study of "The Business of the Musa Family" to help them understand the importance of deciding on how to divide and share work, decision making and income in a family business setting.

Introduce the Case Study: The Business of the Musa Family

Step 1

Tell the story once in plenary. Distribute it to all, if participants can read or provide group facilitators with a copy for use in the small groups. The role of the group facilitators is to read, NOT to guide or give instructions to the group.

Divide the participants into groups of at least 5 members each and ask them to prepare a role play to help the Musa Family. Players in the role play are the 3 family members who work in the family business: Stela, Aisha and Peter, and 2 respected business counselors from an organization that has helped them before.

Ask the groups to select one or more of the following questions to address in their role play.

i. What are the duties and responsibilities of Stela, Aisha and Peter?
ii. What are the key skills and attitudes needed for each duty?
iii. How do they divide the work and who takes the decisions?
iv. What advice would you give the family to better manage their business in terms of workload and decision making?
v. Stela has set aside 100 units per month from the business income for the family members’ labour costs (use local currency and amount). Who should receive what share of this income?

Step 2

Each group will act out their role play for 5 minutes maximum each.

Step 3

Discuss the questions in plenary, and draw out similarities and differences in the outcomes of the role plays. The training team can use the Chart for the Case Study below to guide the discussion. Write the comments on a flipchart so that all participants can easily follow the discussion.

<table>
<thead>
<tr>
<th>Task</th>
<th>Duties &amp; Responsibilities</th>
<th>Skills &amp; Needed</th>
<th>Attitudes</th>
<th>Who does what?</th>
<th>Who takes decisions?</th>
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<tr>
<td>Overall Management</td>
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<td>Record Keeping</td>
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<td>Marketing Sales and Promotion</td>
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<td>Production and Service Delivery</td>
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<td>How to divide labour</td>
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</table>
Conclude by pointing out:

i. It is important in a family business to be clear on ‘Who does what? Who decides what? And who earns what?’

ii. In many societies, women do most of the work but are under-represented in decision-making. Often, they also earn less income than men who are doing the same or similar types of work.

iii. Younger family members often face the problem that their parents or older family members want to decide what is good for the younger ones, even if the latter have a great deal of life and business experience.

iv. If the division of work, decision making and income is very uneven or unjust in a family business there is bound to be trouble sooner or later.

v. It is up to every family to find a good balance in the sharing of work, decision making and income, and it is important to realize for everybody that different ages and experiences bring a variety of skills to the business.

Step 4

Homework: Hand-out a copy of the manual on Management of Family or Group Business.

Case Study: The Business of the Musa Family

i. Thirty years ago Stela and her husband Tito set up a small trading and repair shop in front of their house. Tito was the director of the business and did the repairs. Stela looked after the trading shop. They were both hard working, and used much of the profit to improve their business.

ii. Over the years the village was getting more developed. Stela added more products to sell in the shop, such as home-made jam and juice from fruits in her garden. As there was lots of demand for these products and many of the women in the village wanted to earn some income, she started to buy vegetables from them and sold these in the shop. The repair workshop also did well. The people in the village started to use machines to work the land and bought bicycles, motor cycles and pick-up trucks. Many people needed to use Tito’s services as they usually bought second-hand machines, cycles or cars which broke down often.

iii. Stela and Tito were happy that their business was going so well. Over the years Tito became a bit ill-tempered and grumpy as his health started to fail. So sometimes they disagreed on the management of the shop. Stela was happy to leave all decisions on the repair shop to her husband but as she ran the trade shop and did all the buying and selling, she considered she was in the best position to decide what was good for this part of the business. However, in the old days everybody in the village believed that men are better leaders, and Tito always used this argument when they disagreed. Usually, Stela gave in because she loved her husband, even if she did not always agree with him. Over the years, Tito started to trust more and more on his wife’s sound judgment, even if he would never admit this in public.
iv. As they had no children and they really needed help to run the business, they asked their young niece Aisha and her twin brother Peter to help. Aisha had finished secondary school and done computer and accounting courses. She was glad with the opportunity to help her uncle and aunt and use the skills she had learned at school. Peter had been to a vocational training school. He had worked as a day laborer in the capital for a few years, but was happy to return to the village when his uncle and aunt asked him to help run the repair shop. Aisha and Peter worked part-time for 2 years, but Tito and Stela were really happy to have them around the house and the business was a lot of work, so they have been working full-time for the past three years.

v. One year ago, Tito stopped supporting Stela in the businesses. Since then, Stela has been responsible for the business planning and management of both the trade and the repair shop. Stela is also responsible for buying and selling within the village. She is the operations manager and responsible for product design and relations with the local producers.

vi. Aisha likes the work in the business. She has started to buy tie and dye products from the village women and these are sold in the shop. She also likes to travel and learn new things. She went to the capital where she visited a trade show. She has started to keep the business records on a computer to control the finances better, and now does all the accounting work. This is a lot of work even with a computer. In addition, she also started to contact new customers in the capital by e-mail and telephone. These new buyers are especially interested in the beautiful tie and dye textiles, made by the village women. Trade in these textiles is going very well as many village women like to earn money with tie and dye. Aisha is the marketing manager for all contacts outside the village. In the village they are quite proud of her and she is known as the ’smart girl’. The buying and selling of textiles is now clearly the most profitable part of their whole business. She has tried to explain this to Stela and Peter but it seems that this is difficult for them to understand.

vii. Peter is a good technician. He is known as the man with the ‘golden hands’, because he can always fix broken equipment, no matter how old and battered it is. Stela has recently bought new tools and renovated the repair workshop. Peter is quite happy with his work. He has a lot of work in the rainy season because this is the time that machines, cycles and vans break down. In the dry season the workload is not so heavy and this suits him as he likes to go out and have a good time with his friends. However, now that his uncle is not taking part in the business, he wants to have a bigger say in the business. Peter also finds that he does not earn enough, so he often keeps the cash earned from the repairs for himself. He wants to share equally in the amount that Stela sets aside for the labour cost for the 3 of them.

viii. Lately, the Musa family has experienced some difficulties. Stela has run the business by herself for a long time, but now that the business has expanded so much, she relies more and more on the younger family members, especially Aisha. However, she still wants to have the final say in her business. This is not always easy. Peter would like to have more money and take more decisions in the business as the man in the business, but he is not yet so mature in her views. In her view, Aisha is the brains in their business. Aisha has indicated that the shop is doing very well, she has many new ideas and would like to expand but Stela prefers to save rather than spend. She thinks she should pay them more but how much to each, she does not know. She wonders whether she should give them more responsibility but is not very clear on how to do that.
ix. Two counselors from a business development organization, who are respected and trusted by all of them, come by to discuss the situation with the whole family.

**Role Play assignment:**

Select one or more questions to address in your 5 minute role play

i. What are the duties of Stela, Aisha and Peter?

ii. What are the key skills and attitudes needed for each duty?

iii. How do they divide the work and who takes the decisions?

iv. What advice would you give the family to better manage their business in terms of workload and decision making?

v. Stela has set aside 10,000 Shillings per month from the business income for the family member’s labour costs. Who should receive what share of this income?
**Handout 5: Take Home Exercise: Management of Family or Group Business: Inventory**

To operate smoothly and successfully, you will have to organize your business well. You must know what has to be done and be able to work with the right people to do the job.

Participants are asked to fill in 'the inventory' to become more aware of how they manage their family or a group business. This can be done individually at the end of the training day. Depending on the needs and interests of participants, some can share their inventory in plenary on the next day, and/or trainers can provide them with advice on an individual basis as needed. Every worker in the business will influence business success or failure. Consider the selection of the persons you work with carefully. Assign them proper duties, show them how the business works, and let them see how you (plan to) manage the enterprise.

### Who are important people in your business?

The people in your business may be: 

- You, the owner
- Your main partner (husband, wife, children, and other partners in business or family)...
- Women and men workers, producer groups
- Others (business partners)

#### 1. You as the owner

In many small businesses, one person is the manager. In many family businesses, one person takes the lead, the wife, the husband, an older or younger male or female relative. The owner/manager performs the following tasks individually or jointly:

- Develops ideas, goals and action plans with clear results and outputs.
- Organizes and motivates people to carry out the action plans.
- Ensures that the plans are carried out so the business goals and outputs are achieved.
- Takes decisions such as a new investment or a loan.

In planning the new business, think about your own business skills. Decide which management works you will do, and which tasks you will have neither the time nor the skills to do. Consider the type of manager you want to be, and identify the skills and experience required for that position.

#### 2. You and your family or group members

You will never have the time or the skills to be able to do all of the work, so you will need help of your family and may need to employ other workers. The smallest enterprise may have only one or two part-time workers. Others have many full-time employees.

To find the workers needed, consider the following steps:

##### 2.1 Who are the people in your business?

- You the owner(s)
- Employees
- Producers (local)
- Others
2.2 Do you as the owner, manager and director:
- Develop ideas, goals and action plans? 
- Organize and motivate people to carry out action plans?
- Ensure that plans are carried out so the business goal is achieved?

2.3 Who has skills on being?
- Careful
- Tidy
- Organized
- Honest
- Dynamic
- Creative
- Easy to deal with
- Communicative
- Hard-working
- Service-oriented
- Negotiative

Job description

It is important to decide on clear duties for everybody in your group or family business. When you know who you need for what, write a job description for each of the positions. In reality, many family businesses never prepare job descriptions, but there are some ways in which they can improve their way of working together by agreeing and writing down their tasks in a very easy manner! A job description defines the jobs to be done in a particular part of the business. Writing job descriptions has several advantages:
- People know exactly what work they are expected to do.
- As business manager, you will be able to measure the work output.

Use job descriptions whenever you recruit staff for your business.

Job Interviews

It is important to employ staff with appropriate skills and who are motivated to work. You should interview all potential staff. Much information can be gained from the questions you ask in an interview:
- Where did you work before?
- What was your job?
- Why do you want to work in this business?
- What type of position are you seeking?
- What do you think are your strengths and weaknesses?
- How do you spend your spare time?
- What hobbies do you have?
- Do you like working with people?
- How do you react to unfriendly people?

Ask many questions as these provide information about the person being interviewed. Inform all of those interviewed about the outcome of their application too.
Key Messages from relevant modules.

- Good management is necessary to achieve ones goals in life.
- Good management of self and others is not only the task of leaders. It is a task for everybody. Good leaders need to have outstanding management skills.
- Responsibility by all group members and good leadership are all vital for successful team work and the achievement of goals.
- The question is not to adopt one right or wrong management style, but rather to become aware of and consider different management styles to suit your personality, and the individual business or group operation.
Session 4.6: Writing Your Business Plan – The Business Model Canvas

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write *Writing Your Business Plan* on the Flipchart

### Materials Required:

1. Marker Pens
2. Individual Note books and pens
3. Flip Chart Paper
4. Handouts on Business Model Canvas
5. Blue Tack
6. Glue Stick
7. A5 Manila Papers of various colours
8. Manila Paper of various colours
9. Masking Tape

### Objective:

By the end of the module, participants will be able to explain the value of having a business model and know how to generate a business model.

### Learning Outcomes:

1. Ability to produce a business plan and refine a business idea

### Training Methods:

- Presentation
- Group Discussion
- Plenary discussion

### Trainer Preparations:

- Large flip charts made of 3x3 ordinary flip chart papers

### Time ACTIVITIES

<table>
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<th>180 Min</th>
<th>Introduction</th>
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Explain that a business model is simply *how* you plan to make money. It is the basis for the design you choose for your company to make it successful. It can be based on many different aspects of your company, such as your production, distribution, pricing, advertising and communication by designing and creating products/services that fills people’s needs.

In this session I will show you a simple diagram that you can use to develop your own business model. After each step in this process, I’ll show you examples from a business model.

We will call this diagram the *Business Model Canvas*. It will help us with two main things:

1. Organize our ideas for the business;
2. Explore our communities and discover how we really can be successful business owners.

Now take a big piece of paper and draw the diagram with me.
In the next steps, we will go through each of these 9 components one by one, step-by-step.

**Step 1: Value Proposition**

We will start with developing the value proposition.

The *Value Proposition* is about identifying the problem that your business will resolve, or the need that it attempts to meet. It could be a social, environmental or economic problem and your business will help people and communities to resolve this issue.

For any business to be successful, it needs address problem or need that people have. How otherwise can they be convinced to buy our products or services?

When we solve a problem with an affordable solution to consumers, we are likely to succeed with our business idea. However, we need to be very clear about the problem or
need that we are tackling.

So, \textit{Value Proposition} is just a fancy word for the \textbf{problem you are solving with your product or service}.

As the founder of your business, YOU have to understand the problem or need of your customers. The best ways to find out is by talking to your customers and ask what they need.

It is important that you find out what would really help them and what would make them buy your product/service. Speak with your customers and will you find out. You will realize that your customers are the treasure of the success of your business.

You should also try to find out the value proposition of your potential competitors. What needs do they address? On the basis of this piece of information, what unique value proposition could you develop for your business? How can you stand out? You have to find creative ways to produce the product/service either better or cheaper.

\textbf{Take away:} What is the problem \textit{you} are solving? Write it down in the value proposition piece.

Share with them an example of a \textbf{Value Proposition}.

Now, what is your Value Proposition? Get back to your piece of paper where you wrote down your initial idea. Is it still the same? What has changed? Do you need to get back out and consult further?

\textbf{Step 2: Customer Segments}

Now I will guide you through the development of the \textit{Customer Segments} of your business model.

\begin{table}[h]
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\begin{tabular}{|c|c|c|c|}
\hline
Key Partners & Key Activities & Value Proposition & Customer Relations \\
\hline
Customer Segments & Distribution Channels & & \\
\hline
Key Resources & & & \\
\hline
Cost Structure & & & \\
\hline
Revenue Streams & & & \\
\hline
\end{tabular}
\caption{Customer Segments Table}
\end{table}

We usually think a lot about ways to get our customers to buy our products/services. In this session we will address this from a different angle. Our starting point will be: \textit{What}
can we provide for consumers so that they lead happier lives? With this mindset we will better understand who the potential customers could be. We can then better target them to maximize sales. Going forward we will call these customers our Target Customer.

As the founder of your business, you need to really understand who your Target Customers are, what you can offer them and how you can solve their problems. It is therefore important that you both identify your “persona” customer in line with the Value Proposition in your Business Model Canvas. Please pay attention to the fact that there are 3 main types of personas:

1. The person who will pay for the product/service: for example the parents of the student
2. The person who will use the product/service: for example, the student
3. The supporter: for example, a friend who influences the buyer on his or her choice of the final purchase of the product/service.

Take away: Now right down your persona or personas for your target customer. Share with them an example of a list of Customer Segments.

What is your Target customer? Get back to your piece of paper where you wrote down your ideas. Are they still the same? What has changed? Do you need to get back out and consult further?

Step 3: Distribution Channels

Now I will guide you through the concept of Distribution channels for your business model canvas.

Distribution channels help us move our products from an idea to the customer. They are the ways how you reach out to your target customers.
These channels could be physical channels, such as a store needed to sell clothes or a local market, or they could be virtual channels, such as an e-commerce website selling clothing online. If you would like to grow your business you would also need to negotiate deals/partnerships with the distribution channels, such as supermarket chains.

You can also use a mix of both physical and virtual channels. Most modern companies do that today. For example, you can have a physical store in the city center, and then a website to sell your clothes online to ship clothes directly to your customers. Having both will help you reach customers beyond your immediate community.

*Take away:* Now think about how you could best reach out to your customers. Write it down in the canvas.

Share with them an example of how they can go about identifying their Distribution Channels.

When you talk with your customer, what do they say? What is their preferred channel? Get back to your piece of paper where you wrote down your ideas. Are they still the same? What has changed? Do you need to get back out and consult further?

**Step 4: Customer Relations**

We are moving ahead to the next piece in the canvas, that is, Customer Relations.

In previous sessions, we talked about the need to listen to customers and to solve their problems in order for our businesses to be successful. However, this is only the one of the actions required for customer relationships. The full process involves a three-step approach:

1. To get customers you need to solve their problems (we talked about this in the *Step 1: on Value Proposition*).
2. You should strive to make your existing customers loyal to your products and
make each of them spend more money on your products.

3. You should grow the total number of customers.

In order to be successful in these 3 areas, you need to add value and differentiate your products from those of your competitors. They must be either cheaper or offer something more than what your competitors do. How can your business stand out in the crowd?

Share with them examples of Customer Relations

**Take away:** Think about how you will get, keep and grow your customers.

**Step 5: Revenue Streams**

The next element of the Canvas that we will talk about is the Revenue Streams.

In this step you will learn *how* you can make *money* selling your product or service to your customer segments.

**Revenue**

First, let’s clarify what *Revenue* is all about. *Revenue* is the amount of money that is brought into a company through its various business activities (e.g. sales of products and services).

**Revenue stream**

A Revenue Stream is the building block presenting the cash a company generates from each Customer Segment. Most businesses need at least one great revenue stream to earn money. Revenue Streams can be generated in many different ways and you can use a mix of these different ways for your company.
Share with them examples of Revenue Streams

**Take away:** Now write down in detail what your revenue model looks like.

**Step 6: Key Resources**

The next element of the Canvas that we will go over is the Key Resources.

When I ask entrepreneurs what resources they need, most of them say that they need money, or capital as we call it in business jargon. However, they usually leave out other resources that are sometimes more important than capital.

The resources are needed to create value for your customers. They are considered your assets and they are needed to sustain and support your business. These resources can be categorized into four main categories:

1. **Physical resources.**
2. **Human resources.**
3. **Intellectual resources,**
4. **Financial resources.**

Share with them examples of other resources

**Take away:** So, if you haven’t already done so, write down all the resources you need to effectively execute your business. Organize them into the four categories to make sure you stay on point and don’t forget anything.

**Step 7: Key Partners**

The next piece of the Canvas that we will focus on are Key Partners.
These partnerships are critical for you to implement your Key Activities, contribute to your Value Proposition and to your Customer Segment.

In this step, we will look at different types of partnerships. I hope that this information will motivate you to form partnerships.

There are two important factors that you would need to keep in mind when doing so:

- Value
- Partnership agreement

**Different partnerships**

i. Buyer-Supplier partnership
ii. Co-opetition
iii. Strategic Alliance
iv. Joint Venture

In the initial stage of your company you may not need more than a simple partnership with a reliable supplier.

Share with them examples of partnerships and partnership agreements

**Take away:** Now write down in your canvas your current partners and make a separate list for potential partnerships to be explored.

You may also make list of the companies you can partner with for each of the partnership type.

**Step 8: Key Activities**

In this step we will focus on Key Activities of your business.
The Key activities of a business represent what the company must do to make the business model work. These activities can be producing a product or providing a service, or a mix of both.

For example, if your business focuses on production of a product, your activities may include learning more about the customers and new production techniques to improve the product. For example, you are already producing chairs. One of your activities may be to doing market research to find out if customers are happy with your chairs or if you need to update the model to better fit their needs.

If you own a restaurant, some of your activities may be to experiment on new recipes to provide your customers with new dishes to bring new customers, or provide more varied options for your customers.

I am in production industry as I produce pumpkin products. Hence my key activity is “producing fresh pumpkin products”. But that also includes activities to experiment on new products that I can sell, such as what I did with the pumpkin wine and pumpkin jam. What are your activities?

**Step 9: Costs**

In this step we will focus on costs, the expenses required to operate your business.
Some costs can be obvious, such as rent, employees or materials, while other costs are less obvious, such as business registration fees and taxes.

Your total costs can be calculated by adding up the Key Activities, Key Partners & the Resources.

When you start your business it is important to know what the largest cost item is. Costs are structured under two types in business as **fixed costs** and **variable costs**. We will explain these costs in the finance module. For now, just think of fixed costs as something you need to pay every month no matter your sales, and variable costs as expenses that depend on how much your produce.

Now, just write your cost items. Please be aware that your costs is different from resources.

Right now we will not go into the detail of how to calculate these costs since it will be covered in the Finance module. However, you should be aware of the costs items in order to calculate them later.

Share with them examples of costs.

**Take away:** please check in your canvas what your costs items are and make sure you do not miss any important item. If required deliver a sample of your product or service to see every single cost item.

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<tr>
<th>30 Min</th>
<th>CHECK LEARNING POINTS</th>
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<tbody>
<tr>
<td></td>
<td>Please mention what you have learnt during this session. Ensure the following are mentioned:</td>
</tr>
<tr>
<td></td>
<td>1. Customers or Customer Segments</td>
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<td>2. Value Creation or Proposition</td>
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<td>3. Sales / Promotion/Distribution Channels</td>
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<td>4. Customer Relationships</td>
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</tbody>
</table>
5. Income Source or Revenue Streams  
6. Key Resources  
7. Key Activities  
8. Key Partners  
9. Costs or Cost Structure

**SUMMARY**

The Canvas is popular with entrepreneurs and intrapreneurs for business model innovation. Fundamentally, it delivers three things:

1. **Focus**: Stripping away the 40+ pages of ‘stuff’ in a traditional business plan, I’ve seen users of the BMC improve their clarify and focus on what’s driving the business (and what’s non-core and getting in the way).

2. **Flexibility**: It’s alot easier to tweak the model and try things (from a planning perspective) with something that’s sitting on a single page.

3. **Transparency**: Your team will have a much easier time understanding your business model and be much more likely to buy in to your vision when it’s laid out on a single page.

**Homework:**

Each participant will critically analyze their business. Based on the analysis, they will develop a business plan for their respective businesses. (This take home is also included in the participants manual)
Handout 1:  Writing Your Business Plan

The Business Model Canvas

Name of the Entrepreneur:

Business Name:

Date:

Overview:

The purpose of this activity is to help you, as an entrepreneur, develop and refine your business (or business idea). It is the best first step towards writing a business plan. It is derived from a concept called the Business Model Canvas which was developed by Alexander Osterwalder and Yves Pigneur with the help of 470 entrepreneurs from around the world. The complete process is explained in their book, Business Model Generation, and what follows is a simple, user-friendly version that is directed towards small business owners and entrepreneurs like you.

Instructions:

The topics outlined in the following sections are the key building blocks to any successful businesses. Answer the questions that follow to the best of your ability and remember to be as specific as possible. The more detailed your answers are, the easier your work will be later. Keep in mind, however, that this activity is formatted to suit all kinds of businesses so some questions may not be as relevant to your particular idea. Regardless, no section should be left blank.

As for the Business Model Canvas to the right, it serves as your “Executive Summary” which you leave until you have addressed all nine sections. Once you have completed the nine, summarize your responses in bullet points on the canvas. Enjoy!
<table>
<thead>
<tr>
<th>5. Income Sources</th>
<th>1. Customers</th>
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<td>2. Value Creation</td>
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<td>9. Costs</td>
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<td>6. Key Resources</td>
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<td>8. Key Partners</td>
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AN ENTREPRENEURIAL OATH

I have undertaken a journey of growth and pain.

I understand that there will be many dark days where I will want to throw in the towel, but won't.

I know that, for what might seem the longest time, I will dread month-end. I am comfortable with being pressured by my family and friends to get a real job. I am prepared to lie awake, for many nights, planning my way out of perceived imminent failure. I am ready to be told by my potential clients that I am too expensive or too inexperienced. I anticipate falling so many times that I will ache as I stand up again.

For I know that it will all be worth it in the end as I extinguish the words of my naysayers and the loudest of them all - the one that lives in my head.

For I am an entrepreneur; I have chosen this life above immediate comfort as I strive to create wealth and to make a difference in the world around me.

- Allon Raiz
Section 1: Customers

a. Who will you be selling to or serving?

b. Will you sell to different groups of people or is your product something everyone needs? (women vs. men, young people, families etc.)

c. How many people do you think need your product? How often will they buy this from you in a month? Give an estimate of your expected number of customers per month based on your product/service and the area in which you plan to operate your business.
Section 2: Value Creation

a. What are the problems or needs your customers have?

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b. How does your product or service help solve those problems?

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c. How is the value you create different and more relevant to your customers than your competitors?

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Section 3: Sales and Promotion Channels

a. Where do you think your customers tend to look when they are looking for your products or services? Are they more likely to look online at social media sites (facebook or linkedin), in newspapers, specialty stores, yellow pages etc?

b. How will you get people to know about your business? Have you made adverts or thought of advertising? Do you have a website? Any other ideas about how to reach your customers?

c. How will you deliver your products and services to customers? Will you deliver directly or are there middlemen involved?
Section 4: Customer Relationships

a. What kind of relationship would you like to have with your customers? Will you have a direct relationship, automated services (ecommerce) or self service (for example, ATM or vending machine)?

b. Are you more focused on getting lots of customers, keeping the customers you have, or a combination and how do you plan to do that?
Section 5: Income Sources

a. How will you make money? (Selling, charging usage fees, renting etc.)

b. What kind of pricing structure do you plan to use? Do you have a price list?

c. How does your pricing compare to the pricing of competitors in the area? Do you charge more or less than your competitors, why?
Section 6: Key Resources

a. What do you need to start or grow your business (a place from which to work, transportation, knowledge, money, skilled workers etc.)?

b. How do you plan to get these things?
Section 7: Key Activities

a. What do you need to do to make your business run?

b. Do you need to design, make, or deliver your product? If so, make a to-do list.

c. Do you need to create or design new solutions or services to address your customers’ needs and problems? If so, make a to-do list.
Section 8: Key Partners

a. Who do you need to work with to get supplies and other key resources for your business?

b. How do you plan to make these relationships?
Section 9: Costs

a. What are your start-up costs? These are items you need to buy only once before you start business, for example office equipment, a car or any machines? Estimate the cost of each of these items.

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b. What are your monthly costs? Do you have to pay for rent or salaries (even if it is just for yourself)? Do you have to pay for petrol or raw materials? Estimate the cost of each of these items per month.

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Handout 2: Prototyping and Testing

Many businesses first specify all the features of their products from the beginning to the end and then produce it. This process makes sense for large companies as they are already producing tested versions of their products. They already are sure about the basics of what they can sell and they already know their customers.

However, for a start-up we are only guessing what the ideal product could be because we are creating the very first version of the product. And it is highly possible that our initial guesses are wrong, and that modifications of the product would be required.

So, rather than waste time and money on our guesses, we must get outside of our homes before we actually build something and listen to the people who would potentially buy these products, take their feedback and make modifications until we get it right.

When customers do not provide inputs to the development phase, many products have been created that do not interest enough customers to build a business around it. They did not satisfy the customers’ needs and wants.

Please, do not make this mistake. Before creating the business ask your customers what they want, what else you can add to your product and how you can improve it.

Minimum viable product means the very first demo, the minimum features of a product to get the feedback. Sometimes minimum viable product can be just a drawing of a product on a piece of paper that you will show your friend, or a glass of pumpkin juice you will make your neighbor taste.

Your first step is to create minimum viable product and give this to your customers and then ask their feedback. Depending on the feedback you receive, iterate and develop new features and make changes. In this way, you will not spend all your time and resources in the beginning for a product that will not sell.

In each of the steps covered on the Business Model Canvas, your are encouraged you to test your ideas before you start implementing them.
Handout 3: Registering Your Business

We have now covered how to establish a business model and the need for prototyping and testing. Are you ready to start your official business?

Some of you may have started your business journey from scratch with the help of this course, while others may have been in business for years and wanted to try a new business development methodology. It does not matter which group you belong to. This session is relevant for everyone. If you have not yet do so, now it is time to register your business and make it formal.

There are many people who are selling products, trading and doing all kinds of businesses informally. They all have different justifications. Some say they do not have time to register, some say they do not know how to, some say they do not want to pay the related taxes.

Registering gives our business an identity. With it, you transform into a reputable businesswoman with legal rights and protections.

Running an informal/illegal business has its risks:

1. **You can lose all your investment**, as you do not have legal protection. For example, Mama Lucy kiosk owner, lost her investment when the City Council found out that her shop was located too close to a road that was scheduled for expansion.

2. **It is illegal**: Informal/illegal business owners risk facing legal pursuits. Offenders, such as illegal scrap dealers, can get fines of KES 1 million or up to 3 years in jail.

3. **It can be more expensive**: You may think you are saving money by not paying taxes but informal illegitimate businesses can be quite expensive. For example, bribes may seem cheaper than taxes but that is never the case. A coffee shop owner once said that bribes eventually cost more than legal fees, permits and other regulatory expenses together. She said that Kanjo would come to her place like clockwork and expect a specific amount of money at the end of every month. Eventually she registered her business and paid once. After that she never paid bribes as regulations protected her business’ rights.

4. **It limits marketing and publicity activities**: Informal/illegal businesses are forced to avoid publicity and advertising can therefore be troublesome. Although businesses want more customers, exposure puts them within the reach of the law. For instance, a butchery illegally built next to a sewerage pipe can be closed down based on the health hazards it presents. Hence, when you operate illegally you cannot grow your business without the risk of being caught. If you want to grow your business you must register.

As you can now understand, registering your business will protect you from all these problems. Advice to you is that it is worth it!
Handout 3: How To Register Your Business in Kenya

The registration of businesses in Kenya has been made easier and faster. One can now do a name search and even register their business fully online on eCitizen. It’s important to note that from 15th October 2017, no manual registration of businesses will be done by the registrar of companies.

Follow these steps to register your business:

A. Log onto eCitizen your account

For you to use the eCitizen platform, you need to have registered on it which is a simple process. Once you log in, select Business Registration Service.

B. Name Search
Once you are in the Business Registration Service, click on Make Application. It will take you a section where you will click on Business Name Registration. In the next step, you will need to choose the type of business you want to register plus your preferred business name. If say you want to register a sole proprietorship or partnership, then choose Business Name Registration and if you want to register Private Limited Company then choose that option and so on.

A name search is processed within a day and only one name can be submitted at a time. It is processed from Monday to Friday between 8am to 5pm excluding public holidays.

C. Business Registration

Once the business name has been approved, you can then be allowed to register your business. The name search approval is not communicated via email so you have to keep checking the eCitizen website.

D. Requirements For Registration

Company
1. Fill company registration form CR1 (Download HERE).
2. Fill details of directors and shareholders and upload scanned copies of I.D. card/passport, KRA PIN certificate and recent coloured passport photograph. Directors/shareholders have to be registered on the iTax platform.
3. Fill shareholding details.
4. Fill a notification of directors’ residential address – Form CR8.
5. Fill the statement of nominal capital.

Kindly note that you can now register a company with one person as both the shareholder and director.

Registration takes a week and certificate will be available on the eCitizen platform for download.
Partnership and Sole Proprietorship

1. Fill BN2 form
2. Upload ID card/passport, KRA PIN certificate and recent coloured passport photographs of sole proprietor or partners as the case might be.
3. Registration takes a week and certificate will be available on the eCitizen platform for download.
4. E. Costs
   4.1. Name search – Ksh. 150
   4.2. Company registration – Ksh. 10,650
   4.3. Partnership and Sole proprietorship – Ksh. 1,000
PART III

ENTREPRENEURSHIP BUSINESS GROWTH TRAINING
MODULE 1: BUSINESS MANAGEMENT & GROWTH

Session 1.1: Business Management & Growth

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic Business Management & Growth on the Flipchart

Materials Required:
1. Whiteboard and markers, or Flipchart with papers
2. Optional relaxing music for visualization exercise

Objective:
By the end of this session participants will be able to:
1. Discuss business management and growth opportunities
2. Conduct business visualization

Learning Outcomes:
Ability to visualize future growth path direction for own business.

Training Methods:
▪ Presentation
▪ Group Discussion
▪ Individual exercises
▪ Plenary discussion

Time ACTIVITIES
60 Min

1. Have participants reflect on their businesses. A business model has four parts: (1) business goal; (2) products/services; (3) demand; and (4) delivery model.

2. Tell them that you will now discuss business growth options. Explain:

▪ In order to expand a business, the first option is to increase the scale of operations (changing business goal). This means that a higher quantity of the same product or service is made or sold to the same type of customer

▪ The second option to expand is to sell other products (changing product/Services). If there isn’t a lot of demand for cook stoves currently or the demand fluctuates and you’d like to make more steady money, consider adding other products to the basket of goods you sell, such as toothbrushes or other household items. By selling goods that people use daily or need to replenish, you may be able to make a more steady income.

▪ Third, you can sell to a new target market (changing demand). Remember to make sure your marketing and promotion to this new target group is appropriate!

▪ Sometimes it makes sense to partner with other people or businesses in the Market to increase sales or distribution. This can open new delivery model options (changing delivery model).
3. Explain to participants they will now have some time to reflect on their growth goals by going through a visualization exercise that will help them focus on their thoughts and business model.

4. Ask participants to get comfortable. Individuals can choose to sit or lie down on the ground, or to sit in their chairs.

5. Read from the visualization script (Handout 1:), keeping your voice calm and relaxed.

6. After reading through the script, take a minute of silence to let individuals think about their visions.

7. Ask participants to pair up and discuss what they learned (five minutes).

8. Once the group is back together, have a few individuals describe how this process was for them and what they learned.

9. Ask participants to share in their pairs:
   - What are the qualities I have to be a good businessperson (e.g., am I friendly, do I know lots of people in the community, etc.)?
   - What are qualities I could work on (e.g., take more risks, practice communicating with strangers, etc.)?

   **Tip:** When the participants are thinking about their business growth, make sure that they consider the gender lessons from the beginning of the training. Encourage them to challenge gender-based stereotypes, where possible.

   - However, some challenges, such as transportation, can actually be more difficult for women (lack of ability/know-how, not owning a car, etc.). How have women participants worked with men to overcome a transportation challenge?

<table>
<thead>
<tr>
<th>5 Min</th>
<th>CHECK LEARNING POINTS</th>
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<tbody>
<tr>
<td></td>
<td>Please mention what you have learnt during this session.</td>
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<tr>
<td></td>
<td>Ensure the following are mentioned:</td>
</tr>
<tr>
<td></td>
<td>- Four part business model</td>
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<td></td>
<td>- Visualizing ideal business</td>
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<td></td>
<td>- What products look like</td>
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<td>- Benefits to the family</td>
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<td>- Community perception of a business</td>
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<tr>
<td></td>
<td>Four business growth options:</td>
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<td></td>
<td>- Increase the scale of operations (changing business goal). This means that a higher quantity of the same product or service is made or sold to the same type of customer</td>
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</table>
- Sell other products (changing product/Services). If there isn’t a lot of demand for cook stoves currently or the demand fluctuates and you’d like to make more steady money, consider adding other products to the basket of goods you sell, such as toothbrushes or other household items.

- Sell to a new target market (changing demand). Remember to make sure your marketing and promotion to this new target group is appropriate!

- Sometimes it makes sense to partner with other people or businesses in the Market to increase sales or distribution. This can open new delivery model options (changing delivery model).

**Homework:**

Participants to fill in the Management Plan Sheet
Handout 1: Script: My Business Visualization

- Take this time to get comfortable, preparing to relax. Slowly start to relax your body. Take a deep breath in through your nose, and slowly breathe out through your mouth.
- Continue to focus on your breath, slowly breathing in your nose and out your mouth.
- Continue to breathe deeply, slowly, and comfortably, in… and… out…
- Feel your muscles beginning to relax. You are beginning to feel warm and relaxed as your muscles become loose and heavy.
- Your hands and feet are becoming more relaxed as waves of warmth cover your body. Now you are feeling very deeply relaxed and very comfortable.
- In this state of relaxation, think about what your ideal business would look like.
- As you think about this vision of your business, imagine yourself starting your day feeling excited to begin another day in your business.
- Allow yourself to feel calm, peaceful, and relaxed.
- As you think about your business, feel the excitement of having this business.
- Picture yourself as you start your day. What are you doing? What are your surroundings? What are the sounds, the smells, and the colors? How does it feel?
- Take a deep breath in… Hold this breath for a few seconds and then breathe out slowly.
- Imagine your product. What does it look like? Where did you get it?
- Imagine your customers. Who are they, and what do they look like?
- Where are you when you are interacting with your customers?
- Take a deep breath in, hold for a few seconds, and exhale.
- Imagine your customers interacting with your product. How do your customers feel? Why?
- Picture yourself successfully running your business. What does this look like?
- How do you feel?
- Take a deep breath in, hold for a few seconds, and exhale.
- Now describe the money you will be able to make from this business. How will you use it? What benefit do you see for your family? For yourself?
- Imagine how others will treat you in the community. How do you see yourself in the community?
- See yourself feeling positive and strong. How does it feel to be you?
- In a few moments, we will prepare to return from your journey to the future. Is there anything that could make this vision better? Remember, there is no boundary to your thoughts.
- Notice all the details of this scene. Take a deep breath in, hold for a few seconds, and breathe out slowly.
- Smile and know you can come back to this vision at any time. Take in a deep breath in, hold for a few seconds, and breathe out slowly.
- Feel yourself becoming more awake and alert. Follow your breath and feel your mind and body reawaken.
- Breathe in, move your muscles a little, and breathe out.
- Slowly begin opening your eyes as you bring yourself back to alertness.
Handout 2: Management Sheet

Sales Projections

- Number of possible sales I would like to have starting one month from now:

|                    | Number of Units | Unit Price | Total Sales  
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<td></td>
<td></td>
<td></td>
<td>(No. of Units X Unit Price)</td>
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<tr>
<td>Per Week</td>
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<tr>
<td>Per Month</td>
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What is the growth strategy I would like to pursue? (e.g., Expand business goal, offer new products/services, add new target market, change delivery model).

- What are my roles as the business owner / manager?

- If I have employees or other workers, what are their roles?

- These are salaries or wages I will owe per month: (Skip if you don’t have employees)

|                    | Number of People | Wage /Salary Per Person | Total Amount  
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<td></td>
<td></td>
<td></td>
<td>(No. of People X Wage/Salary Per Person)</td>
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<tr>
<td>Employee</td>
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<tr>
<td>Casual Workers (Not Official Employees)</td>
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</table>

What other support do I need?

- Who are my partners?

- Are there any other partnerships that would be good to have? Who would they be with?
SESSION 2.1: SUPPLY CHAIN MAPPING EXERCISE

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *Supply Chain Mapping* on the paper

**Materials Required:**

1. Pens & large sheets of paper

**Objective:**

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

1. Introduce a new way to think about distribution models that might be relevant to participants’ businesses

**Learning Outcomes:**

1. Effectively build, manage and improve supply chain management operations.

**Training Methods:**

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

<table>
<thead>
<tr>
<th>Time</th>
<th>ACTIVITIES</th>
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<tr>
<td>60 Min</td>
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<tr>
<td>1.</td>
<td>Ask the participants to get into small groups and give each group a large sheet of paper and pens. Tell them to draw a market map that represents their businesses operating in a product market. A market map outlines the various actors in a market. It is a visual tool for participants to view the larger ecosystem from which they operate and can help them understand their business model.</td>
</tr>
<tr>
<td>2.</td>
<td>Define “market” as the network of people and businesses that together move a product towards its end-users. Some market participants include manufacturers, intermediaries (people who transport the product to places it will be sold or to potential sellers), and retailers.</td>
</tr>
</tbody>
</table>
| 3.      | Give them instructions as follows (focus more on the participants business type):
  - If you are a distributor, think about what your product is and where you got it. Draw where/who you got it from on the left of the map. If you are a producer, think about the raw materials required to make it. Draw these on the left of the map. |
  - Think about who buys and uses the products you make/sell. Draw these customers on the right of the map, showing the different types (e.g., households, schools, hospitals). |
  - Now link the different components of the market map by adding different business types into the supply chain (raw product retailer, manufacturer, and intermediary 1, and intermediary 2, retailers). |
  - Where is your business on the map? If you are a retailer, how are you able to get products to sell (e.g., does a local bus bring them to you, do you drive to the city to pick them up, is there an intermediary who
brings them to you)? Make sure you include this in your map. Add any non-business links to your map. For example, maybe you sell to customers through your church group or another group you are in.

4. Once the groups have finished, ask each to present their market map to the larger group.

5. Ask the participants if there are any other target markets they don’t currently work with that they might want to work with in the future.

6. Ask the participants if this activity has given them any ideas for other distribution models they might be able to use to expand their business or increase efficiency. For example, is there another market actor who can bring cook stove products to their village so they don’t have to travel to the city to collect them?

7. If the groups have presented market maps for different products (e.g., cook stoves and briquettes) ask the participants how the markets interlink. Ask if there might be further opportunities for partnership or expansion here.

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<tr>
<th>5 Min</th>
<th>CHECK LEARNING POINTS</th>
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<td></td>
<td>Please mention what you have learnt during this session.</td>
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<td></td>
<td>Ensure the following are mentioned:</td>
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<td></td>
<td>▪ Business market maps</td>
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<td></td>
<td>▪ Definition of markets</td>
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<td></td>
<td>▪ Distributors</td>
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<td></td>
<td>▪ Buyers</td>
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<td></td>
<td>▪ Raw product retailers</td>
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<tr>
<td></td>
<td>▪ Manufacturers</td>
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<tr>
<td></td>
<td>▪ Intermediaries</td>
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<td></td>
<td>▪ Retailers</td>
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<tr>
<td></td>
<td>▪ Business Position in the chain</td>
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<td></td>
<td>▪ How markets interlink</td>
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<tr>
<td></td>
<td>The key to success in business is based on recognising the types of supply chains that exist and aligning strategy and operational practice with the specific properties of the supply chain that the company is positioned within.</td>
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</table>

**Homework:**

Draw a comprehensive own market maps describing:
- Distributors
- Buyers
- Raw product retailers
- Manufacturers
- Intermediaries
- Retailers
- Business Position in the chain
Handout 1: Example Market Map

Simplified market map of a larger organization (Sunny Money):
Session 3: SWOT Analysis for Business

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *SWOT analysis for business* on the board

Materials Required:
1. Either whiteboard and markers, or easel with drawing paper and markers
2. SWOT analysis tem-plate and example (See participant handbook.)

Objective:

By the end of this session participants will be able to:
1. Discuss the strengths, weaknesses, opportunities and threats for the participants’ businesses
2. Explain how this analysis can help in understanding and preparing a business plan

Learning Outcomes:

Ability to:
- Analyze own business Strengths, Weaknesses, Opportunities and Threats.
- Work out a plan to exploit strengths/opportunities and reduce weaknesses and minimize threats

Training Methods:
- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

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<th>Time ACTIVITIES</th>
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<td>60 Min</td>
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1. Now that participants have visualized their business models and growth, explain that a SWOT analysis can be a useful tool. A SWOT analysis will give participants an idea of what is in and out of their control. It will help them better understand themselves as businesswomen.

2. Describe what a SWOT (Strength, Weakness, Opportunity, Threat) analysis is and discuss any questions that arise.

- **Strength:** Strengths are within your control as an entrepreneur, including your skills and expertise. Strengths should be utilized to offset weaknesses.
- **Weakness:** Weaknesses are within your control as an entrepreneur and include anything you feel you are lacking or missing that negatively affects how you run your business. As much as possible, weaknesses should be eliminated!
- **Opportunity:** Opportunities are positive or favorable external factors in the environment around you that make your business ideas more viable, and that you should capitalize on (e.g., lack of competitors, cheap raw materials). Unlike strengths, which are positive internal factors of the business, opportunities are mostly beyond your control as an entrepreneur.
- **Threat:** Threats are negative or unfavorable external factors in the
The environment around you and are normally beyond your control as the entrepreneur (e.g., new competition, increased price of raw materials). They adversely affect the business, if they are not eliminated or overcome.

Threats differ from weaknesses in that they are beyond your control. The purpose of analyzing threats is to look for ways to avoid them or lessen their negative impact by performing counterbalancing actions.

3. Ask participants to split into pairs or small groups, preferably with other people who are undertaking similar types of business, and think about each section of the SWOT analysis in turn, looking at the SWOT template in the participant packets.

4. Ask each group to present one of the sections of the SWOT analysis. Ask others to provide any additional thoughts.

5. Once the discussion has finished, give them an example SWOT analysis for a small business (see example on opposite page)

**Note:**

Small businesses employing three to four people, rather than relying on one person, may be more likely to survive and more economically efficient. When only one person is involved, a crisis—like the death of a relative in another part of the country requiring travel, or personal illness—has a major impact on business performance. Women in particular may carry a disproportionate burden of care of family members, which is a challenge if they have no one to delegate to in a business.

**5 Min CHECK LEARNING POINTS**

Please mention what you have learnt during this session.

Ensure the following are mentioned:

- Strengths
- Weaknesses
- Opportunities
- Threats

**5 Min SUMMARY**

- A SWOT analysis can be a useful tool.
- It gives entrepreneurs an idea of what is in and out of their control.
- It helps them better understand themselves as businesswomen

**Homework:**

Fill in own SWOT Analysis Sheet.
**Handout 1: Sample SWOT Analysis Sheet**

<table>
<thead>
<tr>
<th>SWOT Analysis Example for a Small Business</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths</strong></td>
</tr>
<tr>
<td>Strengths are <em>within the control of the entrepreneur</em>, and they occur at present! Strengths should be capitalized on to offset weaknesses.</td>
</tr>
<tr>
<td>1. New improvements of product</td>
</tr>
<tr>
<td>2. Good network with customers</td>
</tr>
<tr>
<td>3. Managerial experience</td>
</tr>
<tr>
<td>4. Comparatively cheap price</td>
</tr>
<tr>
<td>5. Superior technology</td>
</tr>
<tr>
<td>6. Product features (utility, durability)</td>
</tr>
<tr>
<td>7. Several responsible employees involved*</td>
</tr>
<tr>
<td><strong>Weaknesses</strong></td>
</tr>
<tr>
<td>Weaknesses are <em>within the control of the entrepreneur</em>, and they occur at present. They are “lack of...,” “missing...,” or weak points. As much as possible, weaknesses should be eliminated!</td>
</tr>
<tr>
<td>1. Poor design of product you produce</td>
</tr>
<tr>
<td>2. Comparatively high price</td>
</tr>
<tr>
<td>3. No technical expertise of owner</td>
</tr>
<tr>
<td>4. Lack of promotion experience</td>
</tr>
<tr>
<td>5. Inexperienced managers/owners</td>
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<tr>
<td>6. Lack of working capital</td>
</tr>
<tr>
<td>7. Low level of stocks in times of peak sales</td>
</tr>
<tr>
<td>8. Business depends wholly on one person*</td>
</tr>
<tr>
<td><strong>Opportunities</strong></td>
</tr>
<tr>
<td>Opportunities are positive or favorable factors in the environment which the entrepreneur should <em>make use of</em>, which make her business potentially viable. They are, however, mostly <em>beyond the control of the entrepreneur</em>. They are different from strengths in the sense that strengths are positive internal factors of the business.</td>
</tr>
<tr>
<td>1. Few and weak competitors</td>
</tr>
<tr>
<td>2. Rising income of target market</td>
</tr>
<tr>
<td>3. Growing general demand</td>
</tr>
<tr>
<td>4. Technical assistance available</td>
</tr>
<tr>
<td>5. No such products in the market</td>
</tr>
<tr>
<td>6. Scarcity of product in the local market</td>
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<tr>
<td>7. Favorable government or community programs</td>
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<tr>
<td>8. Low interest on loans</td>
</tr>
<tr>
<td><strong>Threats</strong></td>
</tr>
<tr>
<td>Threats are negative or unfavorable external factors in the environment and are normally <em>beyond the control of the entrepreneur</em>. They adversely affect the business, if they are not eliminated or overcome. Threats differ from weaknesses in as much as they are beyond the control of the entrepreneur. The purpose of analyzing threats is to look for ways to <em>prepare for them</em> or try to lessen their negative impact.</td>
</tr>
<tr>
<td>1. Rising raw materials costs</td>
</tr>
<tr>
<td>2. Natural disasters</td>
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<tr>
<td>3. Changing government regulations</td>
</tr>
<tr>
<td>4. Too much competition</td>
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<tr>
<td>5. Insufficient power supply</td>
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<tr>
<td>6. Poor infrastructure</td>
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<tr>
<td>7. Family crises (e.g., illness or a death)</td>
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</tbody>
</table>
# Handout 2: Own SWOT Analysis Sheet

<table>
<thead>
<tr>
<th>SWOT Analysis Sheet</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strengths</strong></td>
</tr>
<tr>
<td>Strengths are <em>within the control of the entrepreneur</em>, and they occur at present! Strengths should be capitalized on to offset weaknesses.</td>
</tr>
<tr>
<td><strong>Weaknesses</strong></td>
</tr>
<tr>
<td>Weaknesses are <em>within the control of the entrepreneur</em>, and they occur at present. They are “lack of...,” “missing...,” or weak points. As much as possible, weaknesses should be eliminated!</td>
</tr>
<tr>
<td><strong>Opportunities</strong></td>
</tr>
<tr>
<td>Opportunities are positive or favorable factors in the environment which the entrepreneur should <em>make use of</em>, which make her business potentially viable. They are, however, mostly <em>beyond the control of the entrepreneur</em>. They are different from strengths in the sense that strengths are positive internal factors of the business.</td>
</tr>
<tr>
<td><strong>Threats</strong></td>
</tr>
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</tr>
</tbody>
</table>
MODULE 4: REVIEW BUSINESS PLANNING

Session 4.1: Review Business Planning

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic Review Business Planning on the board

Materials Required:

1. Either whiteboard and markers, or easel with drawing paper and markers

Objective:

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

1. Discuss the purpose and basic elements of business planning
2. Introduce example business plans (case study/trainer examples)
3. Share the business plan template

Learning Outcomes:

1.

Training Methods:

▪ Presentation
▪ Group Discussion
▪ Individual exercises
▪ Plenary discussion

Time ACTIVITIES
60 Min

1. Revisit and discuss the topic of a business plan:
   ▪ Business planning is a method to organize/write out your business model and it can help address the concerns you had when creating the SWOT analysis.
   
   ▪ Congratulations, you have completed the sections of the business plan throughout this training! To review:

   ▪ **What is a business plan?**
     • A business plan is a document prepared by somebody who intends to start a business or who is already in business. It gives a complete description of the business and its plans for a period of time (e.g., from one to five years). It details exactly what the business is, what it creates, who it targets, and how it is able to do all of this.

   ▪ **Why do you need a business plan? A business plan is like a map. A map shows a traveler:**
     • Where she is.
     • Where that traveler wants to go.
     • The distance and time that the traveler has to cover.
     • The obstacles on the route.
     • What is required to get there?
     • How to get there.

   ▪ **In other words, a business plan guides an entrepreneur in her business operations.** It is used internally as a working document to enable the owner to see how the business is progressing and to spot problems or opportunities as they arise. When a business plan is used
as a management tool in the business, it enables the entrepreneur to:

- Plan in a good way for the growth of his/her business.
- Think of what type of changes might be needed in the business.
- Help foresee challenges and find ways to deal with those.
- Know how to control the business.

- **Additionally, a business plan is a way for you to explain why your business is different from other businesses in the area.**

**Optional additional explanation:**

Explain that business planning is similar to other types of planning that women (and men) undertake for family and community gatherings and celebrations. Encourage participants to be confident in their planning experiences, from meal planning (gathering ingredients, managing prep time) to larger community celebrations they have planned or participated in (coordinating neighbors and distant family members, providing instructions and expectations, communicating a vision for the celebration, and realizing that vision when the time comes).

2. (Optional) Discussion points for larger businesses: Ask the participants if there might be any other uses of a business plan. Explain that a business plan can also have an external use.

- Nowadays, any lending institution (bank) will need to see an entrepreneur’s business plan to assist the bank in finding out the following:
  - How much does the entrepreneur want to borrow?
  - What does the entrepreneur want the money for?
  - When will the entrepreneur be able to repay the borrowed money?
  - Will the entrepreneur be able to pay the interest?
  - Can the business survive a setback in its plans?
  - What security is available for the lending institution?

3. Explore issues with business plan preparation:

- What common problems do people face in preparing business plans?
  - Most problems arise when people set their goals too high. It is, for example, very unrealistic for a traveler to think that he will walk from village A to village B, a distance of 400 km, in one day.
  - Therefore, when you are starting a business and preparing a business plan, you need to be honest with yourself about what you want to do. It is advisable to think small.
  - Another common problem is that people don’t know how to write a business plan or think through all the steps.
  - As we have explored the elements of a business plan and how to write one, you should be able to avoid this common problem.

4. Give the participants a case study to illustrate further the importance of
business plans (Handout 1). Ask the participants:

- What are your ambitions?
  - Is your business/planned business one of a number of income generating activities or your main income source?
  - How big do you want the business to be eventually?
  - How much time do you have to devote to the activity?
  - Who else in the family is available to help?

<table>
<thead>
<tr>
<th>5 Min</th>
<th>CHECK LEARNING POINTS</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Please mention what you have learnt during this session.</td>
</tr>
<tr>
<td></td>
<td>Ensure the following are mentioned:</td>
</tr>
<tr>
<td></td>
<td>- What a business plan is.</td>
</tr>
<tr>
<td></td>
<td>- Why we need business plans</td>
</tr>
<tr>
<td></td>
<td>- How Business Plan guides an entrepreneur in her operations.</td>
</tr>
<tr>
<td></td>
<td>- Use of business for external relations.</td>
</tr>
<tr>
<td></td>
<td>- Common problems people face when preparing business plans.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5 Min</th>
<th>SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Business planning is a method to organize/write out your business model and it can help address the concerns you had when creating the SWOT analysis.</td>
</tr>
</tbody>
</table>

Homework:

1. Participants to look through their business plans and make any changes or edits to it as they would like.
Handout 1: Example Business Plan Case Study

[Woman#1] was orphaned at age 14 when her father died. She was doing well at school but now she had to leave to look after her brother and sisters. At age 17 she got married, and before she was 19, she became a mother. Her husband worked while she looked after the children and household, doing the cooking and cleaning.

[Woman#1] would have liked to earn some income for the household, but she did not know how. She tried to do some farming but was not good at that. She thought about setting up a second-hand clothes stall in the market, but because she was busy with her children, she never made any real plans for it, so it did not happen.

When [Woman#1]’s husband died suddenly, however, she knew she really needed to earn money. When she thought about it more, she realized that she had developed a very useful skill—she could cook well. So she asked around, and soon became a cook and dishwasher in a small café. It was not a glamorous job, but it gave her a regular income to provide for her children.

[Woman#1] did very well working at the café for many years. She developed a way of cooking chicken that all of her customers really liked, and she contributed to the café being a great success. However, when she was 45, the café owner decided to sell the business.

Although she did not need as much income since her children were grown, [Woman#1] felt dejected, defeated, and discouraged. She had found something that she knew how to do and succeed in, yet now she had to stop.

She took a piece of paper and a pencil and sat under a tree. She thought that this must be a sign that she was near the end, so she settled down to write her last will. However, when she started writing, she found herself writing what she would like to do in future and what she could do to make these future dreams come true. She realized that there was something that no one else could do as well—cooking very good chicken dishes. She made a proper plan on the paper of how she could continue to do this by setting up her own business.

[Woman#1] got up from under the tree and took the paper that she had written to the café owner. The owner read her business plan and agreed that it looked very good. He knew how skilled she was at cooking chicken and knew that she would do well as a businesswoman, so he decided to invest some of his money from selling the café. He gave her a small loan to start the business.

[Woman#1] started frying and selling chicken door-to-door in her hometown. Her chicken tasted very good, and at 55 years of age, for the first time in her life, she found that she was running her own very successful business. Her life was saved by writing a simple business plan.
We suggest sharing the below story with participants by printing out and reading aloud as a group.

Household air pollution in Kenya contributes to an estimated 18,900 annual deaths as 95% of the population continues to use solid fuels for cooking in Kenya. This causes not only dramatic health problems (leading to high death rates), but also to increasing deforestation. With a heightening fuelwood deficit, women are walking further and further to collect fuel.

Tatu Nyota from Nairobi, Kenya, is 60 years old, married, and has four children. Tatu has long been an entrepreneur, working to support her family in addition to her normal household responsibilities. She started manufacturing and trading improved cookstoves in 2003 after attending a business seminar in Nairobi. It was there that Tatu first learned about charcoal cook stoves and the impact of traditional cooking on her health and that of her family. Through the seminar Tatu was also introduced to the necessary technical knowledge to begin and run her own business. Inspired, Tatu began visiting business exhibitions in Uganda and Tanzania to learn about other types of clean cook stoves. Before long, Tatu was running a business producing and selling improved cook stoves.

Tatu was recruited into GVEP’s Developing Energy Enterprises Project (DEEP) in 2010 where she received training and gained vital business skills like management, recordkeeping, and financial planning, as well as access to the Loan Guarantee Fund in order to expand her cookstove business. The recordkeeping training has not only helped Tatu improve her business, but it also encouraged her to open a bank account. She knows how much she is spending and how much she earns, therefore enabling her to plan her savings and how much to spend on raw materials. Tatu has kept reliable records and can now map her business progress. Increased marketing skills have allowed her to expand her customers’ reach, as she uses local meetings, flyers, and brochures to advertise her products. Tatu has developed strong networks and has made numerous customer contacts. She is well known in the Lake Zone as a result of GVEP’s market.

As a result of GVEP’s mentorship, Tatu was able to complete her business plan and use it to secure a loan from a financial institution in the Loan Guarantee Fund. Through loans totaling (KES) 4,000,000 (40,000 USD), Tatu has been able to purchase raw materials in bulk, afford a welding machine and a metal grinder, and she now rents a workshop for her business. “Initially, I could not qualify for a loan from financial institutions.... GVEP supported me and put my business back on track,” says Tatu.

Tatu now produces different types of cook stoves using raw and recycled materials. She makes charcoal stoves, ovens, and other improved cook stoves, giving consumers a range of products to choose from. She works hard to improve customer relations and service skills. Tatu regularly conducts after-sale follow-ups on the functionality of the cook stoves and has a strong customer base, many gained through client referrals and recommendations. In a month, Tatu can sell four to eight large, institutional cook stoves, eight to 15 medium to large cook stoves, about 50 to 100 medium cook stoves, and 300 to 500 small cook stoves. After expenditures, this provides her with a total monthly net profit of KES 400,000 (4,000 USD), a 50% increase on revenues prior to her involvement with GVEP.
Session 4.2 Business Growth Wrap-up & Next steps

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *Business wrap-up and next steps* on the board

**Materials Required:**

1. Business feedback form

**Objective:**

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

1. Reflect on the business exercises
2. Identify potential barriers to moving forward in participant’ business activities
3. Identify further support they will receive beyond the training session
4. Solicit feedback from participants on their experiences during this training

**Learning Outcomes:**

- Ability to develop action plans for growth.
- Have increased understanding of the importance of managing growth

**Training Methods:**

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

<table>
<thead>
<tr>
<th>Time</th>
<th>ACTIVITIES</th>
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</thead>
<tbody>
<tr>
<td>45 Min</td>
<td>Briefly review the basic topics covered in the business growth training.</td>
</tr>
</tbody>
</table>

1. Briefly review the basic topics covered in the business growth training.

2. Ask the participants if they have any further questions.

3. Ask each participant to state one new thing she has learned.

4. Tell the participants what support they will receive in the future from your organization. This might include regular one-on-one mentoring from an allocated business mentor with whom each of them can build a strong relationship. It might include invitations to attend further training courses, such as advanced business or technical skills.

5. Ask participants to reflect on the following, and encourage them to share with the group:

   - How do I feel about moving ahead with what I have learned? Do I feel overwhelmed? Confused? Confident? Scared? Excited? What are the thoughts that I am saying to myself?

   - How can I think about my future plans so that I keep motivated?

For example, if someone states that they are scared that their business will fail, this thought could be turned around in the following way: “I have learned important skills, and if I am persistent in using these skills I can succeed.”
<table>
<thead>
<tr>
<th>5 Min</th>
<th>CHECK LEARNING POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Please mention what you have learnt during this session. Ensure the following are mentioned:</td>
</tr>
<tr>
<td></td>
<td>▪ Planning for growth</td>
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<tr>
<td></td>
<td>▪ No need to rush</td>
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<tr>
<td></td>
<td>▪ Don’t over expand</td>
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<td></td>
<td>▪ Get professional advise</td>
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<td></td>
<td>▪ Develop a kind of project management schedule for the expansion with clear milestones.</td>
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<td></td>
<td>▪ Be prepared for difficult times</td>
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<table>
<thead>
<tr>
<th>5 Min</th>
<th>SUMMARY</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>When devising a Growth Plan:</td>
</tr>
<tr>
<td></td>
<td>▪ Ask the following questions:</td>
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<tr>
<td></td>
<td>o <strong>Why</strong> does the business exist?</td>
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<tr>
<td></td>
<td>o <strong>How</strong> can the business best serve its customers?</td>
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<tr>
<td></td>
<td>o <strong>What</strong> is the business sustainable competitive advantage?</td>
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<tr>
<td></td>
<td>▪ Within this context then ask:</td>
</tr>
<tr>
<td></td>
<td>o <strong>What</strong> activities should be included in the growth plan?</td>
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<td></td>
<td>o <strong>Who</strong> implements what? (be specific)</td>
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<td></td>
<td>o <strong>When</strong> will activities be implemented?</td>
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<td></td>
<td>o <strong>How</strong> will activities be implemented?</td>
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<td></td>
<td>o <strong>How</strong> will progress be monitored and measured?</td>
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</table>

**Homework:**
Prepare Business Growth Action Plan using the templates provided in Handouts 1 & 2
<table>
<thead>
<tr>
<th>Question 1: Why does the Business Exist?</th>
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<thead>
<tr>
<th>Question 2: How can the business best serve its customers?</th>
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<tr>
<th>Question 3: What is the business sustainable competitive advantage?</th>
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</table>
### Handout 1: Action Plan Guide B

<table>
<thead>
<tr>
<th>MONTH Start Date:</th>
<th>ACTIVITY</th>
<th>CAPITAL NEEDED or equipment required</th>
<th>EMPLOYEES NEEDED or areas requiring additional personnel</th>
<th>TIMELINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month 1:</td>
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<td>Month 2:</td>
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<td>Month 3:</td>
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<td>Month 4:</td>
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<td>Month 8</td>
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<td>Month 9</td>
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<td>Month 11</td>
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<td>Month 12:</td>
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- What time and resources do I need in order to grow my business?
  
  **Tip:** Focus on resources such as money, employees and infrastructure and timing
PART IV

ADDITIONAL ENTREPRENEURSHIP TRAINING
Additional Session 1: Business Support & Networking

**Session 1.1: Business Support and Networking**

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic **Business Support and Networking** on the Flipchart

**Materials Required:**

1. Flipchart Paper / Manila Paper
2. Masking Tape
3. Marker Pens
4. Handouts - Pictures of ‘All around-the-House’ and the ‘Women’s Handicraft Centre’.

**Objective:**

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

1. Identify and participate in networking activities with or without economic purpose, and with or without joint risk-taking.
2. Identify and build networks for doing business together.
3. Respond to the advantages created by cooperation with business support groups when there are common interests and joint goals, so that they are able to make their economic activities stronger.

**Learning Outcomes:**

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

1. Identify and participate in networking activities with or without economic purpose, and with or without joint risk-taking.
2. Identify and build networks for doing business together.
3. Respond to the advantages created by cooperation with business support groups when there are common interests and joint goals, so that they are able to make their economic activities stronger.

**Training Methods:**

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

<table>
<thead>
<tr>
<th>Time</th>
<th>ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>60 Min</td>
<td>Introduction</td>
</tr>
</tbody>
</table>

Business support and networking are crucial factors for the success of small-scale businesses. Women entrepreneurs still face greater constraints in their economic undertakings than men, although their contribution to the economy and to the well-being of their families is commonly acknowledged. Women lack the time, mobility and affordability of support services. This can be countered by increasing their knowledge and access to business development services. If women organize themselves and get involved in networking activities, they will gain confidence and become empowered to start and manage a business on their own, with their family or as part of a group. Business networking can be illustrated through the figure below:

1. Recap of the previous modules on Group Formation, Management of Self and others to create a linkage as the sessions are inter-related.

- Create a group of 4 - 5 participants taking into consideration their literacy
**Tips:**

- Provide adequate handouts for the participants.
- Ensure all participants have writing material to make notes based on their understanding.

2. Start the session with importance of business networking

- Ask participants to share the advantages and disadvantages of networks and write their contributions on flipchart paper.
- Explain the characteristics of networks, why networks are formed and the conditions necessary for successful networking.
- Define Business Support and explain its importance to business enterprises by hosting a business support forum for women entrepreneurs.

**Tips**

- Always allow the participants to share their understanding of terms before the Trainer explains them.
- Manage the group energy levels with an energizer every 15 mins.

3. Wrap up session

- Thank everyone for their active participation throughout the day.
- Recap the session noting the key points:
  - Business networks are important for business growth.

**Note:**

- This topic is critical in building the self-confidence and imparting practical skills to entrepreneurs.
- The Trainer may prepare for light refreshments for all so the participants can get a chance to interact with the Business Support Services provider.

### 5 Min CHECK LEARNING POINTS

Please mention what you have learnt during this session.

Ensure the following are mentioned:

- Increasing their knowledge and access to business development services.
- Advantages and disadvantages of networks and their contributions.
- Characteristics of networks.
- Definition of business support and their importance to businesses.

### 5 Min SUMMARY

Business support and networking are crucial factors for the success of small-scale businesses. Women entrepreneurs still face greater constraints in their economic undertakings than men, although their contribution to the economy and to the well-being of their families is commonly acknowledged.

**Homework:**

Each participant will develop a plan of at least three networks they will develop and the anticipated benefits they will accrue from being in those networks.
Notes to Trainer

1. Business Networking

Ask participants to give brief examples about their experience with networking and working in or taking action as a group to improve their business. After 1 or 2 examples, discuss the following questions:

i. Are these women’s, men’s or mixed networks or groups?

ii. Is it possible, easy or difficult for women entrepreneurs to join mixed groups?

iii. Are there any constraints for (starting) business women in joining or benefiting from certain networks or groups? If yes, what are the problems?

iv. What are the advantages and disadvantages in joining a network or group?

The Trainer shall explain the following:-

i. People’s intentions for joining a network or a group can be different from one person to another, as long as people agree to cooperate on some common goals. e.g. marketing, finance management, provision of raw materials, etc.

ii. Networks can take different forms, ranging from informal social networks to more formal business networks based on membership, a cooperative agreement or partnership contract. Some professional networks focus on economic activities only while others have mainly a social function.

a. (Give some examples of existing business networks. (The Trainer should do prior research of the business networks that exist in that locality).

2. Characteristics of networks:

i. Social arrangements - Networks are social arrangements based on communication and exchanges between people to make things happen by doing them together. Their success depends on the members’ commitment to joint exchange, action and learning.

ii. Social exchange - Networks are forums for social exchange which foster new relationships and allow people to share tasks in a defined way. Their success depends on direct interaction among members, allowing them to continuously reflect about their action and thinking, thus creating a ‘networking culture’ and feelings of shared ownership.

iii. Open opportunities - Networks provide open opportunities, linking together separate initiatives of stakeholders to complement one another for mutual gain, or to enable the stakeholders to collectively mobilize and pool resources for a common end.

iv. Strengthen capacities - Networks strengthen capacities of individual members by identifying needs and creating learning opportunities for their members.

v. Enable creativity - Networks enable creativity and risk taking by removing members from institutional limitations and creating a safety margin for risk taking. As such, networks provide space to think in new ways and to engage in activities outside the normal range of the individual activities of each stakeholder.
Explain that there are several conditions for establishing a successful relationship towards a joint economic or social gain.

3. Why Form Groups or Networks
   i. To use services together
   ii. To join sales
   iii. To do joint production
   iv. Information sharing

4. Conditions For Successful Business Networking
   i. A common interest and potential for a relationship, such as working in the same locality or sector; knowing each other from before; having become friends during the training.
   ii. A shared joint goal, for example, to earn money; to get access to information; the need for childcare; common transport needs.
   iii. A concrete reason or occasion, for example, grasping an economic opportunity that cannot be met by one single person; providing goods or services for a large social event; or utilizing a new social and economic fund for local development initiatives.

Examples of Networks
   i. WEF business clubs: Aim of this network is to exchange business ideas from different groups funded by WEF across the country.
   ii. All-around-the-house: Aim of the business network is to offer several services under one umbrella.
   iii. Women’s Handicraft Centre: Aim of the business network is to offer a market outlet for village women’s groups. (The Trainer to add two more examples from the locality).
   iv. County & National Governments- Aims to offer trade opportunities, financial and business support services.

Exercise

Divide the participants into two groups and give a handout to each group. Explain the examples of the business networks in each handout - ‘All around-the-House’ and the ‘Women’s Handicraft Centre’. Ask them to list the kind of networks that are expressed by the pictures.

Ask each group to briefly explain their findings and conclude as follows:

   i. Women find it is generally difficult to participate in business networks which are dominated by men, such as Chambers of Commerce, explain that these networks may be important for them, and they need to explore how they can participate and benefit from them.
   ii. If there are no networks of women in business in place, discuss the interest and feasibility of setting up a Women in Business Network among the participants or
among business women in the place where they live. Such a Business Women’s Network can also seek participation in Larger Business Network.

1. Business Support

This session will help the business owner understand the importance of Business Development Services within their area of operation by:

i. Creating awareness and informing women entrepreneurs of the existence, roles and functions of support institutions and programmes.

ii. Informing the participants about existing business support institutions/programmes.

Preparation of the Business Panel Discussion and Handouts

Select and invite 4 to 5 representatives of relevant organizations to participate in a Panel Discussion on Business Support for Women Entrepreneurs.

i. Resource persons may include those who can share their experience and provide assistance in areas, such as business networking, Business Development Services (BDS); financial services; marketing; access to raw materials, machinery or equipment; access to land and buildings; business registration and/or other legal aid.

ii. Include representatives from member-based Business Associations and/or successful business women with a wide network

iii. Include both women and men resource persons in the panel.

iv. Make sure that the experience of the resource persons is relevant for your audience and that the difference in experience between the resource persons and the participants is not too big.

Examples:

- Business owners or managers with large enterprises have different concerns from participants who plan to start a micro enterprise. A bank representative engaged in large scale lending may not have useful information or discourage starting business persons who need micro-finance services.

Brief all panelists on the aims of the WEF training and provide them with the profile of the participants:

i. Ask each panelist to address the questions selected for the panel discussion both in the invitation letter and just before the workshop.

ii. Ask all panelists, especially those from organizations which provide business development and/or financial services, to present realistically what chances the women entrepreneurs have to access their services. There is no need to create unrealistic expectations during the workshop that cannot be met later.

iii. Prepare flipcharts and/or collect leaflets or brochures with information from the support organizations as handouts for participants, as appropriate.

iv. Arrange for time and space for informal, individual networking with the panelists after the panel discussion, so that the participants can make new contacts and try out their interaction and networking skills. This can be combined with refreshments at the end of the session.
Step 1

i. Welcome the panel members. Introduce them and the main topics for discussion:

ii. What programmes and experiences do the organizations or business persons have in supporting and working with women and men entrepreneurs (What is their track record? What are successes and failures? Any differences between male and female clients?)

iii. What type of assistance and inputs do these organizations or associations offer to assist women in taking up individual or group-based economic activities?

iv. What criteria for participation (eligibility, conditions, procedures and requirements) do these organizations use? Any differences in treatment between female and male clients?

v. What advice and feedback would the representatives give to the participants of this GET Ahead training, based on their experiences of interacting with women entrepreneurs?

vi. Ask each panelist to give a short presentation (maximum: 15-20 minutes per person), followed by a discussion. The training team needs to stay in the background. Do not intervene too much because the women entrepreneurs or their Trainers should be encouraged to use this opportunity for direct interaction with the representatives of support agencies and networks. However, the training team does keep the time:

vii. If panelists start a Presentation or stray from the main topics, remind them on the time available to them.

Step 2

i. Arrange for a break (special tea and snacks) that allows for informal networking between the panelists and the participants.
Step 3

ii. As a round-up to this exercise, ask participants what they have learned during the Business Panel Discussion. Give an overview of possible networking partners and groups in the local context and the relations between them.

For an example, see the following diagram.

1. Successes and Risks in Working Together

Successes

i. Sufficient number of people /organizations with shared interest in working together and who possess the necessary skills.

ii. Added value of doing things together which cannot be achieved by working individually.

iii. Matching of adequate resources (technical, financial, human resources) that fit the capacity and interests of members.

iv. Strong coordination and good leadership to ensure cooperation within the network.

v. A balance between the development of individual interests and the group's agreement to cooperate.
vi. A good self-regulating mechanism that ensures members balance out what they receive with what they contribute to the group, otherwise they leave the network.

*Risks*

i. Lack of coordination and commitment.
ii. Insufficient capacity due to poor communication, weak institutional base, limited human, infrastructural and financial resources.
iii. Tendency to form small groups within wider network that dominate resources and decisions.
iv. Labor-intensive follow-up required to manage and sustain network.
v. Lose control over networking dynamics.
vi. External interventions in the operations, form and function of the network.

*Key Messages from Module*

1. Business networks and partnerships are key components for business growth.
2. Network building and maintaining require a big investment in time and it requires a commitment in order to reap the benefits of networking.
Additional Session 2: Group Loans’ Management

**Additional Session 2: Group Loans Management**

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *Group loans’ management* on the Flipchart

**Materials Required:**

1. Flip Chart / Manila Paper
2. Marker pens
3. Masking tape
4. Handouts for case studies (Fatum's Story)
5. Colored cards
6. Loan Booklet for reference

**Objective:**

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

1. State the necessary rules for giving loans and advances.
2. Appraise a member before giving a loan or an advance.
3. Know and decide the steps they can be followed to recover loans from defaulters.

**Learning Out Comes:**

- Entrepreneurs to gain specific knowledge on business loans offered by Women Enterprise Fund (WEF).
- Have skills on loan management and values that will help them to effectively appraise, manage credit for their business operations and minimize credit defaulting

**Training Methods:**

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

<table>
<thead>
<tr>
<th>Time</th>
<th>ACTIVITIES</th>
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</table>
| 60 Min | **Introduction**  

In this module the participants will be taken through the process of application for group loans from Women Enterprise Fund (WEF). They will be taken through the critical role that group members play in the loan application process and further provide them with an opportunity to review whether the current composition of their groups will contribute to the achievement of their *goals in loan management*.  

1. Recap of the previous module on savings  
   - Create a group of 4-5 participants taking into consideration participants’ literacy

**Tip:** Provide adequate materials for the participants

2. State the rules of giving loans or advances  
   - Define loan, credit, debt, credit and interest.
   - Credit appraisal- Take the participants through group exercise on credit appraisal  
     - The 5 C’s of client screening  
     - Loan documentation  
     - Common risk management practices  
     - Credit monitoring and repayment

**Tip:** Allow the participants to share their understanding of terms before the trainer explains them.

Manage the group energy levels with an energizer every 20 - 25 mins.
- Loan Recovery Process
  - Explain the step by step process for loan recovery by group members
  - Emphasize the time frames in the recovery process
  - Group exercises to reinforce learning (The story of Fatuma)
- Questions arising from the topic on Group Loan Management

**Tip:** It is anticipated that this session will generate a lot of questions. The trainer may identify a 'rapporteur' to note all the questions so that they are answered during the session.

3. Wrap up session

- Thank everyone for their active participation throughout the day.
- Recup that the session has achieved important milestone:
  - Understanding what loans are available to group members;
  - Understanding the role of the credit committee
  - Participants can state the process to be undertaken in the recovery of loans in case of default;

**Note:** There may be quiet participants in the group. The trainer must ensure that they have understood the concepts taught and continually encourage them to contribute during the sessions.

**5 Min CHECK LEARNING POINTS**

Please mention what you have learnt during this session.
Ensure the following are mentioned:
- What is a loan?
- Loan Appraisal.
- Loan Appraisal Process.
- Risk Management with loans.
- Credit Monitoring.
- Loan Recovery Process.
- Group activities related to loans.

**5 Min SUMMARY**

One important aspect of microfinance lending that WEF utilises is group lending. A group of individuals, often with social ties, bands together for social and economic support, and microfinance and WEF leverages off such groups to facilitate lending.

Groups provide additional or alternative forms of security, as repayment of loans is a joint liability. This works because group reputation is at stake and future access to credit for members depends on individuals paying off their loans. Social pressure is brought to bear on individual borrowers by members of the group ensuring they pay for their loans. This is invaluable as a credit control mechanism.

Key points:
1. Borrow only the amount of money you can afford to pay back.
2. If you miss a payment, make sure to be honest with the lender about your troubles.
3. Get advice about how to repay your loan from the lender, friends and family.
4. Cut some costs to make your debt payment.
5. Consider making improvements to your business practices to sell more
products and services.

**Homework:**
Each participant will critically analyze their businesses. Based on the sales they make per day/week/month, each will determine the following:

i. What amount of money they can comfortably borrow to improve the business.

ii. What amount in installments they can afford to repay without straining the business?

iii. In the business woman's best estimation; what duration of time will they take to repay the said loan?

iv. What impact will the loan have on the business?
Handout 1: Loans

1. What is a loan?

A loan is a debt given by one person/organization to another person/organization at an interest rate, with a written undertaking that specifies amongst other things, the principal amount borrowed, the interest rate charged and the date of repayment (Periodic or lump-sum).

2. Loans Appraisal

This is a function of the of credit committees. They are mandated to:
   i. Appraise and recommend to the group their decision on the approval of the loan.
   ii. Execute the group set standards and criteria for loan approval.
   iii. Verification of information provided by the loan applicant.

3. Loan (Credit) appraisal process

This is a process undertaken by the credit committee of a group to assess the creditworthiness of a group member before the member can qualify for a loan.

   3.1 Character Screening

   i. Check personal and community references to assess the potential client's reputation.
   ii. Use peer groups in which clients select other group members who they believe are honest and reliable individuals.
   iii. Maintain and check blacklist of past poor performers to avoid repeat lending to bad clients.
   iv. Interview clients to understand his or her motivation for borrowing money.
   v. Check client’s history with suppliers or with Credit Reference Bureau, when in doubt and adequate information is not available

   3.2 The Five C’s of client’s screening

   i. Character: An indication of the applicant’s willingness to repay and ability to run the enterprise
   ii. Capacity: Whether the cash flow of the business (or household) can service loan repayments.
   iii. Collateral: Access to an asset that the applicant is willing to pledge in case of non-payment, or a guarantee by a respected person to repay a loan in default.
   iv. Capital: Assets and liabilities of the business and/or household goods and/or property.
   v. Conditions: A business plan that considers the level of competition, the market for the product or service, business profit margin, the legal, economic, political and climatic environment.

4. Reasons for loan documentation

   i. To indicate the terms and conditions.
ii. To formalize the loan granted and make it legally binding agreement.
iii. To indicate security or collateral held for the loan.
iv. To ease recovery.

5. **Common risk management practices in giving small loans**

   i. Peer lending.
   ii. Character assessment.
   iii. Forced savings or co-signature requirements.
   iv. Small loan sizes.
   v. Varied loan terms.
   vi. Limit on loan size increases.

6. **Credit monitoring and repayment**

   i. Keeping track of borrower’s compliance with credit terms.
   ii. Confirm that the loan is used for intended purpose.
   iii. Identify early signs of irregularity in repayment.
   iv. Conducting periodic check on the client’s business.
   v. Monitoring timely repayments.

7. **Loans Recovery Process**

   A group may follow the following steps to recover unpaid loans.
   i. A verbal reminder, by calling/visiting the defaulter is made within 7 days from the beginning of the month and again 7 days from the mid of the month.
   ii. If the loan remains unpaid within 30 days of the verbal reminder, a demand letter is issued by the group members.
   iii. If the above two steps are not productive, the group members report the matter to the Area Chief and request to be given the mandate to recover the asset that was pledged as a collateral for the loan.

   *Explain that advances should be paid monthly and if they are not paid after 1 month, then the loan is defaulted. A loan is defaulted if one principal and interest is not paid when expected.*

8. **The dangers of over-indebtedness and default**

   The participants will have:
   i. Discussed why loan delinquency can be a serious problem.
   ii. Identified various causes of delinquency.
   iii. Identified steps to avoid delinquency.

9. **What are the causes of loan delinquency?**

   Delinquency can be described as negligence, law-breaking or misbehavior of an individual from the norms and standards that have been mutually agreed upon. A business person will default on repayment of loans for various reasons, some of which are listed below:
   i. The business is doing poorly.
   ii. Diversion of loan meant for working capital to personal use.
iii. Loss of funds through theft.
iv. Illness that prevents the business owner from working.
v. Natural disaster.
vi. Risky business practices such as selling on credit.
vii. Failure to keep track of loan repayments.
viii. Failure to regularly set aside money for the loan repayment.

Now let’s look at our list of reasons and decide which are due to poor decisions by the borrower, and which are due to unavoidable bad luck. As a group, mark the bad decisions with a frown and the bad luck with an X.

10. **Group activities**
   (This is optional based on time available and level of comprehension of participants)

Small contest: Divide participants into four or five groups. Tell them that they are going to hear some problems with three suggested solutions (multiple choices) to overcome them. Ask them to decide which solution is the best among their group members. After a group has worked out which one is the best option, the participants can raise their hands quickly.

Any group participant who raises their hand first, will have the first chance to answer the question. If that group has the correct answer, they will get 1 score. But if this group gives a wrong answer, the second group will have a chance to try it.

**Discuss the answer with the group.**

<table>
<thead>
<tr>
<th>Group</th>
<th>Problem 1</th>
<th>Problem 2</th>
<th>Problem 3</th>
<th>Problem 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
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</tbody>
</table>

**Problem Situation 1**

**Problem:** Mary borrows Kshs 400,000/- to purchase a small second-hand refrigerator for her Soybean Juice business that costs Kshs. 200,000/-. 

Her original plan was to use the extra Kshs. 200,000/- to buy beans in bulk to trade and earn enough to pay the first three installments of her loan. But her friend Alice convinced Mary to lend her the Kshs. 200,000/-, promising she would repay the whole amount before Mary’s first installment was due. Alice disappeared with the money. What could Mary have done differently?

**Option 1:** Give the friend the money in exchange for some collateral of greater value (for example a golden necklace).

**Option 2:** Refuse the friend's request and suffer her anger.

**Option 3:** Give the friend one-half of the Kshs. 200,000/-, and invest the remaining Kshs. 100,000/- to earn the money she needs to repay her loan.
Problem Situation 2

Problem: Jeniffer borrows Kshs. 40,000/- for seeds and fertilizer for her vegetable garden. The plants are growing well and she is very excited to be making money. She celebrates by buying a new dress for herself and a new ball for her son. But at the end of the month when she has to make a loan payment, she only has half the amount needed. What could she have done differently?

Option 1: Set aside the amount of her loan payment first before buying presents.
Option 2: Made her purchases and plan to borrow the other half due from her sister.
Option 3: Taken a bigger loan at the beginning so she could both start her business and buy presents.

Problem Situation 3

Problem: Ezekiel has a loan from his village bank to operate a small shop. His business is small but steady and he has always made his loan payment on time. But when his son was injured in an accident, he took an emergency loan from his village bank to pay his medical bills. Then, he closed the shop to stay at home with him, and found he could not pay the two loans he had. What could he have done differently?

Option 1: Find someone else to stay with his son so he could keep the shop open.
Option 2: Sell something of value (e.g. jewelry, television) to pay the medical bills instead of taking another loan.
Option 3: Double the prices in his shop to raise the money needed for the medical bills.

Problem Situation 4

Turphena becomes ill and has to stay at home in bed for several weeks. She takes out a small loan from a microfinance institution to pay for doctor's fee and medication. Because she cannot work in the brick factory during that time, she earns less and cannot make her loan payment. Once she is able to work again, she owes a lot because of the penalty fees. She is in a downward spiral and fears she will have to ask her children to work with her in the brick factory. What could she have done differently?

Option 1: Talk to family members to see what money they can put towards the loan payment so as to avoid the penalty interest during her sickness.
Option 2: Save a little each week or each day above and beyond what she needs for her loan payment to protect herself in such situations.
Option 3: Taken a new loan to make the loan payment on the first loan.

Note: The Trainer will recap the exercise to ensure the concepts are understood.
**The Story of Three Borrowers**

Tell participants that they will see a short role-play. But first, ask them if they know any microfinance institutions or money lenders, and replace the name of the lenders in the story (in bold) with the names of lenders they are familiar with. Then select 3 participants to conduct this role-play.

<table>
<thead>
<tr>
<th>James:</th>
<th>Hey, Susana, isn't today the day our loan application will be approved at Village Bank?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fatuma:</td>
<td>Yes, the loan committee meets today at 11am. I am not worried, though, since we are only asking for Kshs. 200,000/-, less than we asked for before.</td>
</tr>
<tr>
<td>James:</td>
<td>But Fatuma, how can you only borrow 200,000 Shillings? Have you forgotten that next week we have a payment due at ACLEDA Group?</td>
</tr>
<tr>
<td>Susana:</td>
<td>James, you told me that you would find the money for that payment!</td>
</tr>
<tr>
<td>James:</td>
<td>I know, but I couldn't. You have to borrow at least 400,000 Shillings at the Village Bank.</td>
</tr>
<tr>
<td>Susana:</td>
<td>Ahg! I won't be able to make the payments on such large loan!</td>
</tr>
<tr>
<td>James:</td>
<td>Don't worry so much! I'll give the money you need later. I've got to go. See you!</td>
</tr>
</tbody>
</table>

**At Susana’s meeting of Village Bank: Enter Susana and Janet**

| Susana: | Hey there, friend. Lend me Kshs. 10,000/- so I can make my payment today, okay? |
| Janet (irritated): | Oh, yeah, Fatuma. Sure. This is the second time you have asked me for your payment. And you haven't ever paid me back the first Kshs. 10,000/- I lent to you! |
| Susana: | Don't worry! I'll pay you. Today I am getting money from AMK SACCO and I'll give it to you right away. |
| Janet: | You are borrowing from AMK SACCO? |
| Susana: | Yeah, I need to borrow from them because my sales are not good these days and I have a lot of debt. Why don't you come with me this afternoon? Wake up! You can get bigger loans there! |
| Janet: | I don't know. I'll think about it. |
| Susana: | Don't be a fool. Take the loan. It is easy. That's what I am doing to get the money to pay you. Then you'll have all the money you need. I'll come by your house at 1o'clock. Be ready. |
After the role play, thank the actors and discuss the following questions:

✓ What is Susana doing? (Borrowing from 3 different sources)
✓ Why is she borrowing from so many lenders? (She is borrowing from one to pay her debt to another)
✓ How does Susana think about the various lenders she hopes to borrow from? (She seems to think she can borrow from anyone easily and that none of the lenders will care if she is going to others at the same time.)
✓ How is Susana’s husband supporting her? (He didn't live up to his promises and seems not to take responsibility)
✓ What do you think will happen to Susana? (Eventually, she will default on one or more of these loans. Her group may ask her to leave, or come to her house to take collateral for the loan she cannot pay. She will become known as a bad borrower and lose her ability to borrow).

4.10 Identifying the consequences of defaulting loans

Ask the participants: Do you know anyone who has defaulted on a loan? What happened?

Let us return to our friend Susana. We are going to assume that she has gotten herself into trouble with her loans and has failed to repay them. Let's explore what might happen to Fatuma as a result. Each group will receive one of these cards. You will prepare a short sketch acting out the scene written on your card. The rest of the participants will watch and decide which result you are portraying.

Exercise: Role-play cards

<table>
<thead>
<tr>
<th>Role-play cards</th>
</tr>
</thead>
<tbody>
<tr>
<td>You are the members of Susana’s borrowing group trying to decide what to do about her default</td>
</tr>
<tr>
<td>You are members of Susana’s extended family (sisters, in-laws, aunts, etc.) who have all lent her money that she has not repaid</td>
</tr>
<tr>
<td>You are shopkeepers talking together about making loans to customers: Which of your customers to lend to, and who not to lend to</td>
</tr>
</tbody>
</table>

Ask the participants to present their findings. After each presentation, ask:

In this scene, what were the results for Susana?

After all sketches have been performed, say: Defaulting on loan has many negative consequences. What are ways to avoid defaulting in the first place?

Key Messages from the Module:

6. Borrow only the amount of money you can afford to pay back.
7. If you miss a payment, make sure to be honest with the lender about your troubles.
8. Get advice about how to repay your loan from the lender, friends and family.
9. Cut some costs to make your debt payment.
10. Consider making improvements to your business practices to sell more products and services.
### Additional Session 3: Project Management & Development

<table>
<thead>
<tr>
<th>ACTIVITIES</th>
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<tbody>
<tr>
<td><strong>Introduction</strong></td>
</tr>
<tr>
<td>This module will cover the aspects of project management cycle from its inception to closure. Participants will appreciate the key steps to be undertaken in planning, budgeting, implementing monitoring and closure of an identified project.</td>
</tr>
</tbody>
</table>

1. Recap of the previous modules in linkage to project management
   - Create a group of 4 participants taking into consideration their literacy.

**Tip:** Provide adequate materials for the participants

2. Ask participants what they understand by the term project management
   - Define project management and state its salient features
     - In groups, ask participant to brainstorm on steps undertaken in managing projects
     - Make presentation in detailing the key features while taking participants through the project cycle
     - Identify why projects fail and ask the participants to state possible mitigation measures

**Tip:** The Trainer shall emphasize that going forward; WEF is adapting the Project Based financing model.
Manage the group energy levels with an energizer every 10 - 20 mins.

3. Wrap up session
   - Thank everyone for their active participation throughout the day.

   Recap that the session has achieved important milestone:
   - what project management is the steps to be undertaken and
   - State why projects fail and possible mitigation measures

**Note**: There may be quiet participants in the group. The Trainer must ensure that they have understood the concepts taught and continually encourage them to contribute during the sessions.

<table>
<thead>
<tr>
<th>5 Min</th>
<th>CHECK LEARNING POINTS</th>
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<tbody>
<tr>
<td></td>
<td>Please mention what you have learnt during this session.</td>
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<td></td>
<td>Ensure the following are mentioned:</td>
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<tr>
<td></td>
<td>- Definition of a project</td>
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<td></td>
<td>- Project characteristics</td>
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<tr>
<td></td>
<td>- Project Management Cycle</td>
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<td>- Steps and Phases in project management</td>
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</table>

<table>
<thead>
<tr>
<th>5 Min</th>
<th>SUMMARY</th>
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<tr>
<td></td>
<td>A project may be viewed as a set of strategically planned, interrelated activities that when successfully implemented in the ideal environment would achieve the defined objectives within a specified budget and a set period of time.</td>
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<tr>
<td></td>
<td>Project management concepts are useful in guiding entrepreneurs is working out their business action plans and future growth.</td>
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</table>

**Homework:**

Each participant will critically analyze their businesses. Based on the stage the business is at, ask participants to develop an activity in the business using the steps of project cycle management inclusive of a finance plan?
Handout 1: Project Management

1. Definition of Project

*Ask participants:* On a piece of paper write a brief sentence summing up your definition of a project. Participants share their answers in plenary and the Trainer summarizes them on flipchart.

**Definition**

A project may be viewed as a set of strategically planned, interrelated activities that when successfully implemented in the ideal environment would achieve the defined objectives within a specified budget and a set period of time.

Its attributes can be seen in clearer terms in the meaning of the acronym PROJECT as outlined here below:

- **P** – Problem
- **R** – Rhythm
- **O** – Objectivity
- **J** – Justified
- **E** – Effort
- **C** – Creativity
- **T** – Time bound

2. Characteristics of a project

Projects differ in size, scope cost and time, but all have the following characteristics:

1. A start and a finish
2. A life cycle involving a series of phases in between the beginning and end
3. A budget
4. A set of activities which are sequential, unique and non-repetitive
5. Use of resources which may require coordinating
6. Centralized responsibilities for management and implementation
7. Defined roles and relationships for all participants in the project

3. Project Cycle steps

*Ask participants* to identify the main steps in project design and put them in a cycle based on some considered chronological order.

Participants to present the model cycle in plenary.
The Trainer then explains the model below:

There are four aspects in project management which have to be diligently handled to enhance success:

i. Project planning and definition – projects must be planned well and the results carefully defined at the onset.
ii. Deliberate and effective stakeholder engagement.
iii. Maintenance of an all-round communication among the stakeholders.
iv. Development and execution of well synchronized monitoring and evaluation plans.

There are five processes through which practically every major project goes through:

1. Identification: Stage where one project idea out of several alternatives is chosen and defined.
2. Preparation: Defined idea is carefully developed to the appraisal stage.
3. Appraisal: Every aspect of the project idea is subjected to systematic and comprehensive evaluation, and a project plan is prepared.
4. Presentation: Detailed plan is submitted for approval and financing to the appropriate entities.
5. Implementation: With necessary approvals and financing in place, the project plan is implemented.
6. Monitoring: At every stage the progress of the project is assessed against the plan.

1. Phases of project management

It includes six phases:
1. Definition phase
2. Initiation phase
3. Design phase
4. Development phase
5. Implementation phase
6. Follow-up phase (Monitoring and Evaluation)

The Trainer shall ensure the following:

i. Emphasis on project process, project identification is made.
ii. Take approach of template so that each stage is covered in the template before the training moves to the next phase.

1.1 Definition phase

This phase involves identifying the expectations that all of the involved parties have with regard to the project results. The requirements that are associated with a project result are specified as clearly as possible e.g. in Support to business enterprises,

i. How many groups have been identified for support?
ii. Do all the groups meet the WEF requirements for group formation?
iii. Are they duly registered and do they have a constitution?
iv. Does the group have a plan of operation?
v. Which guarantees will be made on the results of the project?

The list of questions goes on and on.

It is important to identify the requirements of the project as early in the process as possible. Wijnen (2004) distinguishes several categories of project requirements that can serve as a memory aid. These are:-

i. Preconditions
ii. Functional requirements
iii. Operational requirements

During the definition phase of a project that involved support to business enterprises, all factors that are necessary for the success of the project need to be identified and the baseline qualifications stated so that the groups receiving the said support can all be at the same level.
1.2 The initiation phase

This is the beginning of the project. In this phase, the idea for the project is explored and elaborated. The goal of this phase is to examine the feasibility of the project. In addition, decisions are made concerning who is to carry out the project, which party (or parties) will be involved and whether the project has an adequate base of support among those who are involved.

In this phase, the current or prospective project leader writes a proposal, which contains a description of the above-mentioned matters. Examples of this type of project proposal include business plans and grant applications. The prospective sponsors of the project evaluate the proposal and, upon approval, provide the necessary financing. The project officially begins at the time of approval.

Questions to be answered in the initiation phase include the following:

i. Why this project?
ii. Is it feasible?
iii. Who are possible partners in this project?
iv. What should the results be?
v. What are the boundaries of this project (what is outside the scope of the project)?

The ability to say no is an important quality in a project leader. Projects tend to expand once people have become excited about them.

In the initiation phase, the project partners enter a (temporary) relationship with each other to prevent the development of false expectations concerning the results of the project.

The choice for a particular type of project largely determines its results. For example, a research and development project delivers a report that examines the technological feasibility of an application. A project that delivers a working product must also consider matters of maintenance, instructions and the operational management of the application.

Many misunderstandings and conflicts arise because the parties that are involved in a project are not clear on these matters. Customers may expect a working product, while the members of the project team think they are developing a prototype. A sponsor may think that the project will produce a working piece of software, while the members of the project team must first examine whether the idea itself is technically feasible.

1.3 Design Stage

The list of requirements that is developed in the definition phase can be used to make design choices. In the design phase, one or more designs are developed, with which the project result can apparently be achieved. Depending on the subject of the project, the products of the design phase can include diagrams, sketches, flow charts, site trees, HTML screen designs, prototypes, photo impressions to name a few.

The project supervisors use these designs to choose the definitive design that will be produced in the project. This is followed by the development phase. As in the definition phase, once the design has been chosen, it cannot be changed in a later stage of the project.
1.3.1 Design Limitations

Pre-conditions form the context within which the project must be conducted. Some examples of the pre-conditions may include:-

i. legislation,
ii. working-condition regulations and
iii. Approval requirements.

These requirements cannot be influenced from within the project. Functional requirements are requirements that have to do with the quality of the project result (e.g. how many businesses must each targeted entrepreneur have or how many rooms must a new building have? to name a few).

Operational requirements involve the use of the project result. For example, the number of groups to be supported is identified; the number of loan defaults that occur must be reduced by ninety nine per cent.

Finally, design limitations are requirements that involve the actual realization of the project. For example, the project cannot involve the use of toxic materials or partners who use illegal means e.g. contraband raw materials, child labor, unhygienic preparation methods etc.

i. It is very important that all parties that are involved in the project are able to collaborate during the definition phase, particularly the end users who will be using the project result.
ii. The client, who pays for the project, is indeed invited to collaborate on the requirements during the definition phase. Nonetheless, the project result benefits when its future users are also invited. As a point of departure, it is helpful to make a habit of organizing meetings with all concerned parties during the definition phase of a project.
iii. The result of the definition phase is a list of requirements from the various parties who are involved in the project. Every requirement obviously has a reverse side.
iv. The more elaborate the project becomes, the more time and money it will cost. In addition, some requirements may conflict with others. As this illustration shows, some requirements must be negotiated.

Ultimately, a list of requirements is developed and presented for the approval of the projects decision-makers. Once the list has been approved, the design phase can begin. At the close of the definition phase, most of the agreements between the customer and the project team have been established. The list of requirements specifies the guidelines that the project must adhere to. The project team is evaluated according to this list. After the definition phase, therefore, the customer can add no new requirements.

1.4 Development phase

During the development phase, everything that will be needed to implement the project is arranged. Some of these activities may include:-

i. Potential suppliers or subcontractors are brought in,
ii. A schedule is made, materials and tools are ordered, and
iii. Instructions are given to the personnel and so forth.

The development phase is complete when implementation is ready to start. All matters must be clear for the parties that will carry out the implementation.

In some projects, particularly smaller ones, a formal development phase is probably not necessary. The important point is that it must be clear what must be done in the implementation phase, by whom and when.

1.5 Implementation phase

The project takes shape during the implementation phase. This phase involves the construction of the actual project result.

i. Project staffs are occupied with activities, that will contribute to the project's success and the actual reorganization takes place.
ii. The project becomes visible to outsiders, to whom it may appear that the project has just begun.
iii. The implementation phase is the doing phase, and it is important to maintain the momentum.
iv. Those who are involved in a project should keep in mind that it is hardly ever possible to achieve a project result that precisely meets all of the requirements that were originally specified in the definition phase.
v. This phase is complete when all of the requirements have been met and when the result corresponds to the design. It is also evaluated according to the designs.
vi. At the end of the implementation phase, the result is evaluated according to the list of requirements that was created in the definition phase.
vii. Unexpected events or advancing insight sometimes require a project team to deviate from the original list of requirements or other design documents during the implementation of the project. This is a potential source of conflict, particularly if an external customer has ordered the project result. In such cases, the customer can appeal to the agreements that were made during the definition phase.
viii. As a rule, the requirements cannot be changed after the end of the definition phase. This also applies to designs: the design may not be changed after the design phase has been completed. Should this nonetheless be necessary (which does sometimes occur), the project leader should ensure that the changes are discussed with those involved (particularly the decision-makers or customers) as soon as possible.
ix. It is also important that the changes that have been chosen are well documented, in order to prevent later misunderstandings.

1.6 Follow up phase

Although this stage is extremely important in the life cycle of any project, the follow-up phase is often neglected. It is, in some cases considered all through the phases of the project life-cycle, to ensure that the activities designed to take place within specific timelines are being implemented as scheduled.
During this phase, everything is arranged that is necessary to bring the project to a successful completion. Some activities in the follow-up phase may include:

i. writing handbooks,
ii. providing instruction and training for users,
iii. setting up a help desk, maintaining the result,
iv. evaluating the project itself, writing the project report,
v. holding a party to celebrate the result that has been achieved,
vi. transferring to the directors and 
vii. Dismantling the project team.

- **Define Boundaries**: The central question in the follow-up phase concerns when and where the project ends. Project leaders often joke among themselves that the first ninety per cent of a project proceeds quickly and that the final ten per cent can take years. The boundaries of the project should be considered in the beginning of a project, so that the project can be closed in the follow-up phase, once it has reached these boundaries.

- **Define Outcomes**: It is sometimes unclear for those concerned whether the project result is to be a prototype or a working product. This is particularly common in innovative projects in which the outcome is not certain. Customers may expect to receive a product, while the project team assumes that it is building a prototype. Such situations are particularly likely to manifest themselves in the follow-up phase.

- **Anticipate challenges with final outcomes at project closure**: There was some anxiety concerning whether any results would be produced at all. The project eventually produced good results.

**MOTTO:** **THINK BEFORE YOU ACT**: This is at the heart of the six-phase Project planning model.

Each phase has its own work package. Each work package has its own aspects that should be the focus of concentration. It is therefore unnecessary to continue discussing what is to be made during the implementation phase. If all has gone well, this was already determined in the definition phase and the design phase.

**Notes to Trainer:**
The Trainer is required to familiarize themselves with the six-phase model and the task packets for each phase, see Wijnen (2004) and Kor (2002).
# Additional Session 4: Value Chain Management

## Additional Session 4: Value Chains Management (VCM)

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *Value Chains Management (VCM)* on the Flipchart

### Materials Required:

1. Flipcharts / Manila Paper
2. Marker Pens
3. Masking Tape
4. Spoon / Pen (the Trainer can identify any item that has many uses)
5. Handouts - Dairy Value Chain, Food Production Value Chain, Production Chart

### Objective:

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

1. Understand the need to identify business opportunities and interventions required in the value chain to grow and sustain the business enterprises.
2. Scale up members enterprises to the next level for increased incomes and profitability.
3. Stimulate creativity for product innovation

### Learning Out Comes:

1. **Ability to** identify business opportunities and interventions required in the value chain to grow and sustain the business enterprises.
2. Ability to scale up members enterprises to the next level based on perceived increased incomes and profitability.
3. Ability to creatively come up with new innovation based on the knowledge about the value chain

### Training Methods:

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

<table>
<thead>
<tr>
<th>Time</th>
<th>ACTIVITIES</th>
</tr>
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<tbody>
<tr>
<td><strong>60 in</strong></td>
<td><strong>Introduction</strong></td>
</tr>
</tbody>
</table>

This module has been designed to help participants appreciate the need and importance of value chain management in business and how to develop products that are tailored to meet customer demands and contribute to business growth and continuity.

1. Inform participants that all the knowledge they have gained in the previous modules will be applicable
   - Create a group of 5 participants taking into consideration their literacy.

**Tip:** Provide adequate handouts for the participants.

Ensure all participants have writing material to make notes based on their understanding.

2. Start the session by gauging the participant's understanding of Value Chain Management
Define Value Chain Management and state its importance in a business enterprise
State activities within the value chain
Group Activities - ask participants to identify various items that can be made out of the single item provided and present their findings to plenary.
Define market linkages and the role WEF plays in supporting market access for entrepreneurs

Tip: Always allow the participants to share their understanding of terms before the Trainer explains them.

Manage the group energy levels with an energizer every 15 - 20 mins

3. Wrap up session
   Thank everyone for their active participation throughout the day.
   Recap the session noting the key points:
   - Definition of Value Chain and its importance to a business enterprise
   - Define Market Linkages, state their purpose and the approaches to market linkages
   - Gender roles can and do change fast, if people want to and/or if their situation changes.

5 Min  CHECK LEARNING POINTS

Please mention what you have learnt during this session.

Ensure the following are mentioned:
- Definition of value chain
- Importance of value chains
- Role of WEF in supporting value chains
- Key value chain activities
- Group approach to value chains
- Branding
- Market linkages

5 Min  SUMMARY

- Value chain analysis is a strategy tool used to analyze internal firm activities. Its goal is to recognize, which activities are the most valuable (i.e. are the source of cost or differentiation advantage) to the business and which ones could be improved to provide competitive advantage.

- By looking into internal activities, the analysis reveals where a business competitive advantages or disadvantages are. The business that competes through differentiation advantage will try to perform its activities better than competitors would do.

- If it competes through cost advantage, it will try to perform internal activities at lower costs than competitors would do. When a business is capable of producing goods at lower costs than the market price or to provide superior
products, it earns profits.

Homework:
Each participant will identify 3 new products they can make out of the current items they have in their businesses to diversify their goods/services, to add value and grow their enterprises.
Handout 1: Value Chains

1. Definition of Value Chain

*Value Chains* are businesses collectively associated with the production, processing, and distribution of products - agricultural or others. Some scholars may define value chains as businesses that process, distribute, and support products. The best examples of value chains are in the agricultural sector.

Value chains are diverse; the informal sector serves low income consumers while the formal sector serves high income consumers and exporters. The business opportunities lie in the upgrading of informal value chains and their linkage to formal value chains.

*Value Addition*

Value addition is the process of changing or transforming a product from its original state to a more valuable state e.g. wheat is transformed into flour, which is then transformed into bread, *mandazi*, *chapatti*, *pancake* or *cake*, as is desired by the end consumer.

As a business person it is important that you analyze opportunities in the value chains using different criteria such as:

1. Good return on investment.
2. Sustainable competitive advantage.
3. Potential growth, innovation and value creation.
4. Technology and environmental factors
5. Job creation.

1.1 Dairy Value Chain (Specific Value Chain)
There are several businesses that can be generated from the dairy business example:

1. **Feed Production** - the animal feeds producer sells dairy feed to the dairy farmer.
2. **Milk Production** - The farmer produces milk sold in bulk to factories/milk processors.
3. **Milk Transportation** - Independent transporters can join the value chain by providing transport to milk factories.
4. **Milk Possessing** - The milk factory processes the milk into various products - milk, yoghurt, butter, ghee, etc.
5. **Packaging** - A business opportunity exists for the package material producers who require packaging for the various by-products of milk.
6. **Distribution** - A business opportunity exists for those who join the value chain to distribute by-products of milk from the factories.
7. **Retailers** - There are the shop keepers who buy milk by-products and sell them to individual consumers at a profit.

1.2 **Food Production Value Chain (General Value Chain)**

![The Food Production Chain Diagram](image)

2. **Importance of Value Chain**

- Provides support solutions to gaps identified in value addition and marketing.
- In a Value Chain system, micro entrepreneurs are linked to the needs of consumers, working closely with suppliers and processors to produce the specific goods required by consumers.
- Enhancing market power and profitability of micro entrepreneurs through continuous innovation and feedback between different stages along the value chain.

2.1 **Role of WEF in This Module**

The role of WEF in value-chain management training is to:
i. Play a critical role in **providing support solutions** to gaps identified in value addition and marketing.

ii. **Alleviate poverty.** In a Value Chain system, farmers/ micro entrepreneurs are linked to the needs of consumers, working closely with suppliers and processors to produce the specific goods required by consumers.

iii. Using the value chain approach and through continuous innovation and feedback between different stages along the value chain, the farmer's/ micro entrepreneurs market power and **profitability can be enhanced.** Rather than focusing profits on one or two links, players at all levels of the value chain can benefit.

iv. Well-functioning value chains are said to be **more efficient** in bringing products to consumers and therefore all actors, including small-scale producers and micro entrepreneurs should benefit from value chain development.

v. Value chain approach **benefits the poor** as opposed to the traditional system, where farmers produce commodities that are "pushed" into the marketplace. Market “Push” tends to be based on independent transactions at each step, or between each node. Products may often be sold into a crowded and competitive market. Farmers are generally isolated from a majority of end-consumer and have little control over input costs or process received for their goods. The primary exception is where local farmers sell produce in local markets and where there is a direct link from farmer to consumer. In most traditional selling systems formers/producers tend to receive minimal profit.

vi. Integration of value chain approach will improve the farmers’ income levels, improve their livelihoods and enable them break from vicious level of poverty.

3. **Key Value-Chain Activities**

   1. **Production**

      Majority of members are engaged in production of agricultural-based activities, handicraft, artisan and cottage industry. This includes both livestock and crop production. WEF support in this area is:

      i. Sensitize the farmers the need for increased production to increase quantities required in the market. This will be both individual and total group production.

      ii. Need to maintain quality starting from seeds sourced for crops and high breed for livestock farming activities.

      iii. Production of handicraft products will also focus on quantity and quality of individual and group products for minimization of costs.

      iv. The need for sourcing agro inputs, animal feeds and raw materials from reliable accredited suppliers to ensure quality control.

      v. Good Agricultural practices will be a key focus mainly through training by partners ASDSP and others.

      WEF will be doing continuous gap analysis to ensure proper support to ensure members/group micro enterprise growth.
Partners’ contribution in production and supply chain:

i. Supply of inputs
ii. Provision of credit
iii. GAP training – e.g. agronomy of specific skills
iv. Specialized training in other skills: Handicraft

2. Value Addition

In WEF context, value addition will refer to any intervention carried by WEF directly or through partnership to support in enhancement of a micro enterprise, product/service aiming at differentiating and positioning for market competitiveness.

There are specific comparisons that can be drawn between non-value added and value added products as shown below:

<table>
<thead>
<tr>
<th>Commodity / Products prior to value addition</th>
<th>Value-added products</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Identical (Not unique)</td>
<td>1. Differentiated from others (unique)</td>
</tr>
<tr>
<td>2. Subject to price fluctuations</td>
<td>2. Less price sensitive</td>
</tr>
</tbody>
</table>

4. Methods of Adding Value To Products (Creating Value For Consumers)

1. Form value

This comprises of:
   i. Converting raw materials into finished or semi-finished products.
   ii. Increases the usability of the product e.g. processing and packaging.
   iii. Maintaining product quality e.g. cleaning, grading, sorting, and cooling.

2. Location value

This is providing product at a desired place. Examples include:
   i. Door-to-Door delivery
   ii. Hawking
   iii. Convenience stores
   iv. Population places – a place where people pass through in great numbers regularly and at occasions e.g. in churches, schools, burials, graduations etc.

3. Time value

This means providing product at a desired time. Examples include:
   i. Market windows: using seasonality e.g. for crops – pad docking
   ii. Storage, scheduling and transportation

4. Information value
This involves informing and educating in order to persuade. Often is done through marketing functions – advertising, promotion, packaging, and labeling.

**Exercise**

_This activity should take 20 mins in group work and each group to present in 3 minutes and two minutes for question and answers to the plenary._

i. Divide participants into groups of 5 participants

ii. Give each group an item (different items for each group) that can be changed into at least 5 different things (examples may include but not limited to - Tomatoes, potatoes, spoon, etc.)

iii. Ask them to brainstorm and state the different items that can be made out of the item provided.

iv. Let them consider if they will require additional equipment to modify/change/improve the item provided and to state such equipment

v. Present to the plenary their findings on flipchart paper.

5. **Group Approach to Value Addition**

WEF facilitates value addition through groups under her training program by empowering the group members with adequate entrepreneurial knowledge and skills which enable them to engage in the value addition activities on their enterprises, products and services. This includes:

i. Processing

ii. Sorting

iii. Drying

iv. Cleaning

v. Packaging

vi. Labeling

The WEF target group is involved in small scale production of various agricultural based products or trade based micro enterprises. At their level the focus to first access local market is critical where they sell at the local village or open air markets. The presentation of these products to the consumer requires basic value addition activities like cleaning, sorting and pricing. Below is an example of a simple value chain process that entrepreneurs can use to improve their business.
In the image, the Production Cycle of a service business is shown below:

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3 Adapted from GET Ahead Training Manual page 188
Production Cycle: Service Business

Adapted from GET Ahead Training Toolkit, Page 189
6. **Branding**

A brand is a 'name', 'term', 'design', 'symbol', or any other feature that identifies one seller's good or service as distinct from those of other sellers. Branding enables the buyer to distinguish one seller's product from the others. Branding means that you have created a consciousness, an image, and an awareness of your products, services, and business to the customers or potential customers. Examples of known brands include Coca-Cola, Royco, Omo and Safaricom to name a few.

7. **Market Linkage**

*Definition*

The Term Market Linkages implies a physical connection between the producer and the ultimate consumer: This can be demonstrated:

i. By the channels through which transactions occur and the type of facilities used for transactions;

ii. By how they are linked together by transport and communications networks;

iii. By the spatial distribution of transactions - where they occur and whether this forms a pattern.

The images below show different linkages in a market environment.
7.1 Characteristics of market include:

i. Many sellers and buyers interacting in trade.
ii. A place where traders buy and sell their produce.
iii. A place where traders go to offer their produce for sale and where buyers go to purchase this produce.
iv. A place where sellers can bargain to get the highest possible price for their produce and where buyers bargain to pay the lowest possible price.

7.2 Types of Markets

Physical Markets: Physical markets are a set up where buyers can physically meet the sellers and purchase the desired merchandise from them in exchange of money. Make-shift sheds [vibanda], canteens, shops, open air market are examples of physical markets.

The physical market may be:

i. Local - within the area of business location.
ii. Regional – within a given region e.g. county area
iii. National –Within the country boundary
iv. Export /International –Outside ones country.

Non Physical Markets/Virtual markets - In such markets, buyers purchase goods and services through internet. In such a market the buyers and sellers do not meet or interact physically, instead the transaction is done through internet.

Knowledge Market - Knowledge market is a setup which deals in the exchange of information and knowledge based products.

7.3 Purpose of facilitating market linkages
Market Linkage is meant to facilitate the flow of produce between the different levels of the marketing system. The input to the process is the production (the supply) and the output is the consumption of that produce by consumers (the demand) all form part of market linkages.

7.4 Approaches to Market Linkage

WEF has developed systematic market strategy by selecting a specific value chain activity suitable for each area based on the following actions:
   i. Change the role of co-actors from market implementers to market facilitators.
   ii. Assess the most relevant activity that will have a significant change on their economic activities (income and jobs)
   iii. Foster sustainability
   iv. Increase local capacity with a carefully planned exit strategy.

WEF is promoting stronger linkage between farm producers, processors, value addition, quality assurance mechanism and market end consumers.

There are key players in the value chain who link with the components and include:
   i. Suppliers
   ii. Transporters
   iii. Financial Institutions
   iv. Agro input suppliers
   v. Market information providers
   vi. Business development services

Most small businesses whether formal or informal suffer from one major problem: Lack of markets for their goods or services making them undersell their products. The sequel to this is poor capital formation which reflects in an unending poverty.

Characteristics of Effective markets:
   i. Enable entrepreneurs sell their products and services to earn income for improving their livelihoods.
   ii. Have a source of capital for growth of enterprise.
   iii. Enable sustainability of the enterprise.
   iv. Provide sustainable job.

Understand what products the market wants

Every farming or micro enterprise should be practiced as a business (with aim of making profits. There the farmer or micro enterprise owner should first find out what the market wants first before producing or deciding what trade to get engaged in.

In overall, the following should be considered before any activity engagement:
   i. What commodities are in demand that one can produce or buy considering the environmental conditions and ability to acquire products at affordable costs.
   ii. What quantities or volumes are in demand?
   iii. What quality is required?
   iv. When commodities are in demand to decide on timings for production or marketing for optimal prices.
v. What total volumes can other members of the group produce or have to meet the market requirements?
vi. What prices are buyers willing to pay to decide the profitability?

**Exercise**

*Prepare budget for commodities you want to produce or buy*

i. Decide on what size of farm to active for farmers and traders what stock to keep.
ii. Determine the amounts and quality of inputs needed.
iii. Estimate yields as per production guideline e.g. Ministry of Agriculture.
iv. Prepare farm budget – fixed costs and variable costs.
v. If the venture is desirable you can proceed if not you can decline.

*Procure inputs for farmers; procure where to locate business for traders.*

i. Get information about input supplies/ or stock required in terms of prices. Determine source of money to buy the input/ stock.
ii. If you need to borrow determine the best source.
iii. Buy inputs / stock in time to enable production for farmers and adequate stock for micro enterprises.
iv. Buy the right varieties of seed, planting materials or breeds suitable for environment. Seek assistance from field technical experts or partners.
v. For trading micro enterprises ensure right stock in terms of packaging.
vi. Quality should be suitable for target market.

*Adopt good farming practices / adopt good business management skills.*

i. Keep your crops /livestock in good health and good productive condition. For trading business, keep products attractive to customers.
ii. Offer the products for sale at the right time.
iii. Sell at appropriate prices suitable for target market and consider market competition.

*To find out more of Good Agricultural Practices (GAP); seek help from local agricultural research or extension services.*

*Pre and Post-Harvest handling of produce*

i. Use proper methods, clean tools, equipment or materials for harvesting and handling.
ii. Add value to produce e.g. washing, sorting, grading, processing etc.
iii. Package produce attractively in appropriate volumes and weights that market wants.
iv. Store produce properly to avoid post harvesting loss which is at times is known to be as high as 40%.

*Ways of selling/marketing your produce*
i. Can sell to buyers on cash at an agreed price. The buyer takes the products; there is no risk of default.

ii. On credit payment to be made at a later agreed date.

iii. On contract delivery at a later date i.e. contract farming. In contract farming sales agreement is made in terms of price to be paid, quantity, and quality, packaging materials weight, volumes, delivery date, mode, time and place. Payment terms are also agreed upon i.e. cash, cheques or delivery to the bank. Penalty or sanctions in case of default by either party. There is arbitration clause as an alternative to court action that has potential delays. It also stipulates place and date of agreement.

Note: As a farmer or micro entrepreneur you should always fulfill your obligation by delivering the product as per agreed terms. Practices of side selling and not maintain contract terms will ruin your reputation. When you fulfill your obligations it builds your social capital, good will and trust in the market place and ensures repeat transactions with buyers.

7.5 Collective Marketing

It is difficult for one individual member be able to link to profitable market especially where markets are far or requires large volumes of produce/products. Grouping together with other members and the community will help in;

i. Bulk individual small quantities into reasonable volumes for marketing

ii. Share and lower cost of transport, storage or value addition.

iii. Enhance bargaining power for higher prices.

7.6 Market Information

Market information is a broad concept that comprises information about the supply of, demand for commodities. It also includes information about inputs e.g. seeds fertilizers, breeding stock and value adding services. Market information enables the entrepreneur is able to make marketing information. Thus in summary this informs:

i. To know what the market wants so that you can plan well to meet market requirements.

ii. By pass middlenmen and reach market directly.

iii. Improve bargaining power from point of knowledge.

iv. Obtain better input.

v. Be efficient in production

vi. Reduce costs and improve profits.

Kenya Bureau of Standards (KEBS)

This is a Government parastatal that provides;

i. Common and repeated rules and guidelines or characteristics of product and services.

ii. It also provides standards for related processes or production methods aimed at achieved certified standards.
iii. It also includes or deals with terminology, symbols, and packaging, marking or labeling requirements as they apply to a specific product.

iv. These standards help in assisting customers believe in the product thus creating competitive markets.

WEF will facilitate these requirements as identified and required by its members in order to venture into competitive market

**Product pricing- Mechanism of determining prices**

i. WEF training aims at creating understanding to the group members on dynamics of prices in the markets and the need utilize the market opportunities available in order to maximize their benefits.

ii. WEF Focus is to the members to increase their volumes in production and the benefits of economies of scale

iii. To understand price mechanism through existing market information channels and partners.

7.7 **Cottage Industry**

*Ask participants: What is a Cottage Industry?*

**Definitions of a Cottage Industry**

i. Cottage Industry is an industry where the creation of products is home based rather than factory based www.investor words/1163 //cottage_industry.html

ii. Cottage Industry is usually a small scale industry carried on at home by family members using their own equipment or a small loosely organized, yet flourishing complex of activities.

iii. Cottage industry or home industry means the manufacturing of goods at home by hands, with small capital and on a small scale by the members of a family.

7.7.1 **Importance of Cottage Industry**

The focus on the cottage industry is aimed at promoting production and value addition for the small scale enterprises within the target market. WEF encourages members to utilize skills and knowledge learnt to process their products in small scale through the cottage industries for the following benefits:

7.7.2 **Benefits of Cottage Industries**

There are many benefits that can be derived from cottage industries. They include but are not limited to:

i. Employment opportunities for members of the community including women.

ii. Meets the demands of the local market.

iii. Makes use of industry waste.

iv. Reduced regional disparity.

v. A source of foreign exchange income.

vi. Little burden on imports.

vii. Less capital and less sophisticated technology involved.

viii. Reduces rural urban migration.
ix. Good use of local raw materials.

7.7.3 Cottage Industry opportunities

WEF has identified several areas that hold opportunities for the development of cottage industries. These include:-

i. Textile

ii. Basketry

iii. Beadwork

iv. Processing agriculture products

v. Wood work

vi. Embroidery

vii. Welding

viii. Wood curving

ix. Artwork
Additional Session 5: Digital Skills Training-WEF SOKO

INTRODUCTION

With an expected half a billion internet users in Africa by 2020, there are huge opportunities for African businesses and digital entrepreneurs. In Kenya alone, there are over 32 million people online and majority access internet via mobile devices. If entrepreneurs have the right skills, they can leverage the power of the web economically.

WEF under its mandate on capacity building and business incubation has been working on a new curriculum and intend to scale up digital skills training to enable aggressive use of its online platform “WEF SOKO”. The Fund will deliver training to SMBs across the country as part of Digital Skills for women entrepreneurs’ initiative.

The Fund developed an online initiative “WEF SOKO” in 2014 to facilitate marketing of products by the beneficiaries. This has not quite taken off and one of the challenges has been the inadequate skills by the target group and non-interactive nature of the platform as it is now.

OBJECTIVES

1) Equip Entrepreneurs with basic knowledge on digital skills to run effective marketing and advertising online for their target market.
2) To enable entrepreneurs build businesses, create jobs and boost economic growth across the globe.
3) To enable effective use of WEF SOKO – an ecommerce site that displays members’ products and services.
4) To grow sales volumes

CONTENT

1) How to build an online presence – Through websites, Social media pages, Blogs, Google My Business listing, Info Moby etc.

2) Online strategy – The new customer journey – See, Think, Do, Care.
3) **Social Media Marketing** - create for use to achieve objective, how to plan and come up with content to share on social media platform, data analysis, timing and execution.

4) Illustrate **WEF SOKO** as an ecommerce platform that members can use to advertise and sell. When a member has a product or service displayed online, it has access to thousands of potential buyers.

**Learning Outcome**

WEF SOKO will form the basis of the training sessions with a baseline on introductory topics that will help them understand how the site works. They could play certain roles like product descriptions in ways a customer online would be interested to purchase.

**Delivery Approach and Methodology**

1. The training sessions will cover 2 hours: 1 hour information delivery, 30 minutes question and answer session, 30 minutes FREE online listing.
2. Mode of presentation is through PowerPoint and use of a board for note taking or to cover illustrations.
3. There will be questions assessed in groups and feedback discussed in class hence the sessions are very interactive.
4. An ideal audience would be a maximum of 200 trainees per training session. Ideally, the number naturally goes through a funnel where most interested parties are taken through the Next Steps stage of website creation, Website marketing, Mobile marketing etc.
5. An additional online link is available for trainee certification purposes and also as a training tool for further trainee engagement with the content of the training. [https://digitalskills.withgoogle.com/?gpid=524288](https://digitalskills.withgoogle.com/?gpid=524288).

**Handouts:**

1. **Internet use**
   You use a web browser to access the internet e.g. Internet Explorer or Firefox

   ![Internet icons](image)

   You can access the internet through a computer, or even a mobile device such as the phone. Common uses of the internet include searching for information through websites such as
Why Your Business Needs to Market Online

Did you know that 94% of consumers research products online before buying? Or that the online space is the go to for consumers to get information concerning products that they want to purchase? There is no longer any doubt that buyers go online to research and purchase products and services. Start getting the payback from marketing online. Here’s how:

a. **Set your goal** - Online marketing can do many things for your business. Choose one or two objectives for starters.

b. **Identify your target** – Be clear about the buyers you want to reach.

c. **Learn about current customers** – Go onto the online marketing platforms and research the kind of customer products they have so as to get insight on the kind of customer you will reach.

d. **Check out competitors** - Just because a competitor is doing it doesn’t mean it works – but it might.

e. **Set a strategy** - Taking the time to think through your plan before you begin can dramatically improve your results.

f. **Track your results** - Online marketing makes it easy to measure program performance.

Uses of online platforms for marketing your products

a. Online marketing of products has been on the increase with vendors seeking to explore international markets in order to retail their products.

b. In Kenya use of websites to market products has been on the rise with ecommerce websites like OLX, Mzoori, Bid or Buy and Jumia being increasingly used.

c. Other online platforms in use in Kenya to market products include
   - Social media – Facebook, Instagram, Twitter, YouTube
   - Mobile marketing – through social sites available on the mobile phones including Whatsapp and through SMS marketing

2. **The good news about online marketing**

   It doesn’t have to be complicated, time-consuming or expensive.

   Consider this:
   a. Online outreach often costs less than offline efforts.
   b. Launching new campaigns can be lightning fast – meaning that potential customers will see your campaign quickly.
c. Changes and updates can be made instantly, usually at minimal cost.
d. Measurement tools quickly show what’s working and what’s not.
Additional Session 6: Financial Services

1. Definition of Financial Services

   a. Financial services can be defined as products and services offered by institutions like banks of various kinds for the facilitation of various financial transactions and other related activities in the world of finance e.g. loans, insurance, credit cards, investment opportunities and money management (Abey Francis).

   b. Financial Services are also offered by informal service providers to address existing gaps created by the mainstream financial service providers.

2. Formal Financial Service providers

   Examples of formal service providers:

   a. Commercial banks
   b. Non-Bank financial institutions,
   c. Micro Finance Institutions (MFI’s)
   d. Savings and Credit Co-operative Societies (SACCO’s)
   e. Insurance companies and Insurance brokers

   Examples of Informal Service Providers

   a. Church based organization
   b. Non-Governmental Organization (NGO’s)
   c. Community Based Organization (CBO’s)
   d. Self-help groups / Common Interest groups
   e. Money lenders,
   f. Insurance agents

3. Comparison between Formal and Informal Financial Service Providers

<table>
<thead>
<tr>
<th>Formal Providers</th>
<th>Informal Provider</th>
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<tbody>
<tr>
<td><strong>Merits</strong></td>
<td><strong>Merits</strong></td>
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<tr>
<td>a. High securities since most of them are regulated.</td>
<td>a. Flexible and favorable features and requirements.</td>
</tr>
<tr>
<td>b. Easy management (clear structures).</td>
<td>b. Suitable products and services for low income group.</td>
</tr>
<tr>
<td>c. Easy physical access because numerous service centers are available.</td>
<td>c. Access to information</td>
</tr>
<tr>
<td>d. Accountability due to regulation.</td>
<td>d. Adequate information about financial service providers.</td>
</tr>
<tr>
<td>e. Access to numerous products and services.</td>
<td>e. Often low cost of service.</td>
</tr>
<tr>
<td>f. Confidentiality.</td>
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<tr>
<th>Demerits</th>
<th>Demerits</th>
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<tbody>
<tr>
<td>a. Rigid features.</td>
<td>a. Insecurity due to their informal nature (inadequate regulations)</td>
</tr>
<tr>
<td>b. Unsuitable products and services for</td>
<td></td>
</tr>
<tr>
<td>low income members.</td>
<td>b. Inadequate structures and infrastructure</td>
</tr>
<tr>
<td>c. Bureaucratic process and requirements.</td>
<td>c. Inadequate governance practices (inadequate accountability)</td>
</tr>
<tr>
<td>d. Unfavorable requirements by the institutions.</td>
<td>d. Limited products and services.</td>
</tr>
<tr>
<td>e. Inadequate and unclear information on the products and services offered.</td>
<td>e. Limited resources</td>
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<tr>
<td>f. Inadequate information about financial service providers.</td>
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<tr>
<td>g. Fear of borrowing from the formal institution due to consequences of default.</td>
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<tr>
<td>h. Cultural and religious beliefs.</td>
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<tr>
<td>i. High cost of service.</td>
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<tr>
<td>j. Perception and beliefs that banks are for the rich.</td>
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**Role of Informal Financial Services**

The informal financial service providers play a key role in accessing financial service to the marginalized population closed out by the mainstream financial service providers. This is due to the favorable terms and conditions of their services that fit the needs of the bottom poor. In Kenya, the informal service providers have contributed immensely in rural development. This is through their affordable products and services which include micro-loans, savings services, micro-insurance, access to mobile banking, money transfer access to consumption loans amongst others.

WEF has identified the potential of Self-Help Groups (SHG’s) as a strong platform for offering informal financial services. It is in this regard that WEF has developed a special focus in promoting and strengthening the products and services of the self-help groups. These products include: Merry-go-round, Home banking/ Piggy bank, savings in Kind, Table banking amongst others.

Through the above products and services, members of self Help Groups have learnt how to save, borrow, start and grow enterprises as well as invest for wealth creation. It is through this that WEF is working towards achieving its vision and mission.

4. **Risk Management**

Risk is a part of everyday life. In business, risk can be defined as the chance of something happening that will impact negatively on the set objectives. There are many types of risks that will be encountered in business, and business owners choose to take risks every day. Some risks will have a minimal negative impact and are easily managed. Other risks can threaten the longevity of a business.

Many business owners rely on experience and intuition to manage risk. However, the more complex the business, the more important it is to identify risks that may prevent a business from realizing its potential. Understanding the principles and processes of effective risk management will help a business owner make the decisions necessary to ensure the best possible outcomes for the business.

4.1 **Definition of Risk management**
Risk management is the way that adverse effects are managed and potential business opportunities realized. Risk management involves:
   a. Understanding what the risks are and the potential impacts.
   b. Minimizing negative impacts.
   c. Identifying and harnessing activity that achieves the goals and objectives of the business.

While it is impossible to predict all negative outcomes for a business, risk management can help an entrepreneur to prepare for adverse events. The limitations of risk management should be clearly recognized by the business owner and/or management team.

4.2 Importance of Risk Management to an Entrepreneur

Entrepreneurs should take cognizance of potential risks to their businesses and be accountable to the management of risk. Risk management should be an integral part to the ongoing management of a business and applied at all levels of a business both strategic and operational.

4.3 Risks to an Entrepreneur

   a. Financial Risks - These are risks associated to fluctuation in financial markets brought about by inflation and other causes
   b. Project failures - death of self, death of business, livestock, poor business environment, credit risks, natural calamities such as drought, floods etc.
   c. Credit risk- Loan default due to failed project, harsh economic conditions, harsh climatic conditions amongst others

5. WEF Training Model approach to Risk Management

The WEF training delves in educating the members to understand possible risks that may affect the continuity of their enterprises and the means through which to mitigate by:
   a. Joining a group
   b. Savings either in monetary or in kind
   c. Business diversification
   d. Heterogeneous enterprises
   e. Taking insurance cover
   f. Building risk management funds
   g. Training on external sources of funding

6. How to mitigate risks in business

   a. Taking an insurance cover from an insurance company
   b. Business diversification
   c. Encouraging heterogeneous businesses
   d. Business training to enhance an entrepreneur ability to understand their business and to enable them to manage adverse occurrences that may affect the business
   e. Social security- e.g. joining a group for social support in the event of calamities
   f. Savings for future use in the event of loss – For examples through home banking, merry-go round, table banking, mobile banking or saving in kind.
Session 6.1 Savings & Credit Cooperative Societies Operations

INTRODUCTION

This Operations manual has been written to guide the lending procedures for SACCOs and to guide the directors and staff of the SACCOs in making independent decisions consistent with the Fund’s objectives. It is intended to minimize the operational risks within the loan

OBJECTIVE

To enable SACCOs prepare for borrowing from financial service providers
To support the SACCOs meet demand for loans from their members.
To assist institutions ensure they put in place proper structures before they are considered for lending.

BENEFITS

The following benefits will accrue to the Fund:

1. The Fund’s overall objective to provide subsidized credit for enterprise development, thus providing increased access to credit services for Kenya’s low income population
2. Desirable impact where accessibility of funds will be easier through the SACCOs as financial partners as opposed to the contemporary financiers.
3. Fostering good business ethics and values among borrowers
4. Increase the incomes of members. This will in turn encourage clients, as individuals or groups, to build the spirit of self-reliance and self-determination.
5. Influencing and participating in public and economic policy within Kenya to provide an enabling environment for micro and small-scale enterprise sector.
6. Allow consistent follow up to achieve close monitoring and control of borrowed funds.

RATIONALE

Some of the challenges faced by the SACCOs which have been addressed through the SACCO interventions across the country include but not limited to:

1. Lack of appropriate skills and resources to manage the SACCOs.
2. Lack of good governance skills to be able to run the SACCOs.
3. Lack of capacity and know how on how to lobby for funds in order to attain financial stability.
4. Inability to adequately describe their current situational status and hence may not know how to manipulate their strengths and opportunities to address their weaknesses and threats.
5. Lack of tangible collateral to offer as security for loans.
6. Limited technological know-how to ensure proper records/monitoring.
7. Lack of proper infrastructure and resources to operate.
1. TERMS AND CONDITIONS OF LENDING

The following criteria will be used to assess viability of lending to the institutions:

1. Compliance with on-lending terms
   a. The Fund will charge administration/processing fee of 2% of the loan amount
   b. The loan will attract an interest rate of 1% p.a. on reducing balance and amortized over a period of three (3) years; Principal and interest amount will be repaid on a quarterly basis.
   c. The institutions to on-lend the funds to their members based on their criteria but at an interest rate not exceeding 8% p.a. on reducing balance
   d. Lending to the correct target customers i.e. Women
   e. Timely and consistent submission of interest payment
   f. Timely and consistent principal payment of due tranches
   g. Quality of quarterly reports as per prescribed format
   h. A robust system-ability to get system generated reports. Investment in technology will be vital for the SACCOs to improve capacity in terms of product and service delivery. Technology is dynamic and upgrades will essential to increase efficiency of operations especially in loan monitoring and delivery of new products.

2. Management of the Funds
   a. Impact created of the product
   b. Ability and willingness to revolve the funds
   c. Portfolio at risk
   d. Outreach in funds disbursement-both geographical and number of beneficiaries reached
   e. Have women friendly products/programmes
   f. Consider lending to SACCOs who are at least three (3) years old and have accumulated their own resources subject to meeting the FI lending criteria.
   g. Audited accounts for the last two years will be required (Auditors must be registered by the Ministry and in the list of pre-qualified by the Ministry)

3. Structure and Efficiency
   a. Existence of lending policies and procedures
   b. Strong and stable management structure. Today SACCO officials are required to adhere to a set code of ethics, as stipulated in the SACCO bill and Co-operatives Act. The framework ensures due diligence by the management as they oversee the running of the societies.
   c. Gender responsive (management to exhibit gender balance)
   d. Existence of Credit and Supervisory Committees and evidence of their activities. Accountability and transparency in conducting Society business to the satisfaction of members and Stakeholders will enhance the SACCOs public image as well as ensuring public credibility to influence the SACCO activities in a positive manner.
   e. Sufficient and experienced Credit staff
   f. Sufficient qualified manpower with segregation of duties
   g. Have accumulated their own resources subject to meeting the FI lending criteria.
4. **Documentation**

   a. Filing of annual returns  
   b. Financial position and performance for the last 2 years  
   c. Records maintained of beneficiaries information  
   d. Automated operations and system to monitor loans  
   e. Ability to pledge marketable collateral securities limited to bank guarantees, fixed deposits and shares listed in the stock exchange. Land not to be considered as security for lending.

5. **Compliance with Existing Regulatory Requirements**

   a. SASRA (For withdrawable deposit-taking SACCOs)  
   b. Presentation of Audited accounts  
   c. Other statutory requirements e.g. Tax returns  
   d. Establishing a comprehensive risk management framework  
   e. Develop and implement all SACCO policies and manuals  
   f. Develop and implement Business Continuity plan

6. **Marketing**

   a. Creating awareness through co-branding  
   b. Comprehensive capacity building programs on customer service  
   c. Availability of the funds in all branch networks

2. **LOAN POLICIES**

   **Requirement for qualification of loans**

   a. A member must have completed at least six (6) months’ active membership.  
   b. The loan amount shall be based on a multiplier of the members’ savings in the Sacco which shall be determined by the board of directors/SACCO management from time to time.  
   c. Any boosting of savings by a member shall only be considered for a loan after three months.  
   d. A member who withdraws from the Society and rejoins later will be treated as a new member.

2.1 **Loan Application**

   a. A member applying for a loan should undertake to pledge future benefits and terminal dues from the employer towards loan repayment before the Sacco Society grants such a loan.  
   b. All applications for loan shall be made on prescribed forms by the Society and shall in each case set out the amount applied for, the purpose of the loan, terms of repayment and type of security provided. The loan application form must be fully completed and endorsed by the relevant employer.  
   c. False information on application form shall lead to automatic disqualification and shall constitute an offence as per the Sacco by-laws.
d. Loan applications shall be considered in order in which they are received. In event that funds are inadequate for all the applications Management shall decide on the preference criteria to use.

2.2 Credit Appraisal

- Credit appraisal means an investigation/assessment done by the lending institution prior to providing any loans & advances/project finance. Credit Appraisal is a process to ascertain the risks associated with the extension of the credit facility.
- Factors like age, continuity of employment, repayment capacity, previous loans, credit cards, security, etc. are taken into account while appraising the credit worthiness of a person.
- Once loan applications have been received at the Sacco, they shall be recorded in an applications register and keyed into the computer system.
- The loans officer shall do appraisal of the applicant to determine whether the applicant qualifies for a loan or not and how much they qualify for.
- All loans shall be subject to the two third rules i.e. all loan deductions including statutory deductions shall not exceed 2/3 of the applicants gross pay.

Tools of Credit decision-making process

**CAMPARI MODEL:**

C – **Character:** This includes integrity, past performance, and evidence of financial acumen of the borrower.

A – **Ability:** The likelihood of the business/individual/group being able to repay the loan.

M – **Margin:** The means and resources to run the business, and to do so in a way that allows the lender to see what is going on.

P – **Purpose:** Explain in detail why you wish to borrow money. The lender will want to know that you have thought it through, and that it seems viable.

A – **Amount:** Make sure that you establish the correct amount you need, allowing a margin for error in your forecasts. Be realistic: don't ask for too little or 'just enough to get by'.

R – **Repayment:** The bank cash flows need to show that your business can afford repayments on the amount you wish to borrow.

I – **Insurance/Interest:** Risk takes us to insurance. The lender may ask if security is available. They may also ask you to consider taking out insurance cover, against illness for instance.

2.3 Credit Committee

The Credit Committee shall consist of three members appointed from among the SACCO Management but shall not be executive committee members. The committee shall have a Chairman, Secretary and a member

The credit committee shall:

a. Make loan decisions based on the lending policies set forth by the Management.
b. Inquire carefully/diligently into the character and financial condition of each applicant for a loan, and his/her guarantors, if any, to ascertain his/her ability to repay fully and promptly the obligations incurred by him/her;
c. Determine whether the loan is for the purpose applied for as per the product requirement.
d. Shall make appropriate reports to the Management including:
   • Ratification of loans approved by the office.
   • The amount of loans disbursed in the previous month.
   • Calculating projected loan demand so that treasurer can make budgetary allocations.
   • Delinquent and defaulting cases and steps being taken to recover them.
   • Any challenges faced in their duty of loan disbursement and recovery.
   • A report to the Annual General Meeting through the Management report.
e. The Credit Committee may at its discretion appropriately delegate part of their responsibilities to any employees such as the Credit Officers where necessary to facilitate loans processing.
f. Loan applications from the Credit Committee members or staff members shall be considered by the Management.
g. The Credit Committee must ensure that loans are repaid as scheduled.
h. Review the loan portfolio with a view of establishing if the Portfolio at risk is in line with the organizations requirement.
i. Provide a setting where loans are presented and can be discussed, questions answered and feedback given on the analysis and risks presented.
j. The committee examines Loan Documentation and the borrower's financial statements to assure that a pending loan meets the institution’s Loan Policy standards and regulatory guidelines.
k. The loan committee also carries out the lender's periodic Credit Review of maturing loans, and decides what collection efforts should be taken to restore past-due loans and other Nonperforming Loans.

**Credit Committee Meetings**

a. The credit committee shall meet frequently to perform the above functions.
b. In order to make a binding decision, all the three-committee members must be present to pass a simple majority resolution. In instances where one member of the credit committee is not available, another board member may be co-opted to sit in for the member.
c. Minutes of the Credit Committee for every sitting on all loans approved shall be filed and retained in the Society's files as permanent records.
d. To ensure accountability, all the Committee members will append their signatures on the loan forms forwarded to confirm approval/disapproval

**Delegation**

The Credit Committee may delegate some or all their functions to the SACCO Manager or any other officer of the Sacco to facilitate the efficient processing of loans. The Credit Committee can delegate authority but cannot delegate responsibility. Delegation by credit committee must be ratified by the full Management.
Selection of committee members

Credit committee members should have but not limited to the following attributes:

a. A member of the SACCO.
b. Experienced in granting of loans e.g. unsecured, secured loans.
c. Capable of evaluating a borrower’s condition and their ability to repay.
d. Capable of evaluating the value of collateral.
e. Knowledgeable on the laws governing lending.
f. Familiar with the SACCO’s lending and collection policies and procedures.
g. Able to commit enough time to successfully complete all the job duties and responsibilities.
h. Able to work as part of a team

2.7 Loan approval/ rejection

a. All loans shall be approved by the credit committee
b. No member of the loan approving committee shall be present when his/her loan is being considered.
c. Loans shall be approved based on the applicant’s character, capacity, ability to pay, capital and collateral/security offered.
d. The credit committee shall approve loans based on a simple majority rule.
e. The repayment period shall be a maximum of the period dictated by the product features but in all cases shall not exceed maximum ceiling at any given time.
f. Members will be informed immediately the decision has been passed on the fate of their applications and reasons for passing such decisions.
g. If a member is not satisfied with the decision passed by the Credit Committee, such a member will be free to submit a written appeal to the SACCO Management within fourteen (14) days from the date a decision was passed by the Credit Committee.
h. When a loan is approved, the office shall inform the member when the loan is likely to be disbursed, the minimum amount to be allotted.

3. GENERAL LENDING PROCEDURES

3.1 Documentation

It involves overseeing completeness of documents in accordance with approved terms and conditions. There should be files for legal documents and Administrative documents. Random spot-check appraisals to ensure all documents are there.

Loan Application form should indicate details such as:- Name of the borrower and particulars, position in society, shareholding, security/collateral, amount being borrowed, interest, repayment terms, guarantor details, and member to sign form to authenticate the application.

Reasons for loan documentation:
• To formalize the loan granted
• To indicate the terms and conditions
• To ease recovery

243
• To make the loan a legally binding agreement
• To indicate security or collateral held for the loan.

3.2 Disbursement

This is effected after completion of agreements and receipt of collateral holdings. In case of exceptions approval from relevant authorities should be sought. Prior to loan disbursement, there must be an appraisal of the security/guarantee in favour of the SACCO. The loan officer responsible for expenditure certification of documents must ensure there is an appraisal of the real assets offered as guarantee and lien certification in favour of the SACCO issued by the corresponding authority. Loans made to management team and employees will not be disbursed unless there is authorization from the management committee. For each loan the credit committee must issue a payment order prior to disbursement.

The following shall apply:

a. No new loan shall be disbursed before all existing similar loan types are paid off;
b. A loan shall be disbursed when all security documents have been completed, signed, acknowledged and in place at the Sacco office.
c. The Sacco shall use electronic funds transfer into the member’s bank account as the mode of disbursement. Cheques may be used when disbursing loans for domestic consumables payable directly to the suppliers.
d. For loans to be recovered outside the payroll check off system, no loan shall be disbursed before a direct debit has been duly filled out and signed.
e. A loan may be released earlier than the stipulated waiting period upon payment of an early release commission which would be decided by the board from time to time.

3.3 Document safeguarding

There should be two files for each approved credit: legal documents and Administrative documents. The two should be kept apart. The loan officer will post the real guarantees accepted into order accounts and will randomly spot-check appraisals to ensure that all the documents are there and that no loan has been released in a disorderly manner. The SACCOs should have the appropriate protection for those employees who handle funds and valuables. There should be dual control of the vault and safe combination keys; upon replacement of those personnel in charge of vaults and safe combinations, the combination should be changed forthwith.

3.4 Loan repayment

Timing of interest and principal repayments this is done to ensure that, on due-date the interest and principal sum have been serviced accordingly without default.

The following shall apply:

a. Deductions for loan repayment shall commence not later than the month following that in which the loan was paid to the member.
b. A member may repay his/her loan and interest in whole or in part prior to its maturity.
c. No member should suffer total deductions (including savings, loan repayment and interest) in excess of two thirds of his/her regular monthly salary.
d. A member’s savings pledged as security for another member’s loans shall not be surrendered to offset his/her outstanding loan, unless the former can provide alternative security for the latter’s loan.
e. Loan repayment period may not be extended beyond the period the member specified in the loan application form, without approval of the SACCO Management.
f. Upon cessation of employment, a member is required to pay all existing loans in the Sacco unless under special circumstances which are subject to approval by the Board of directors.

3.5 Maintenance of credit files

Credit files should contain:
- All correspondence with the borrower
- Information necessary to assess the financial health of the borrower,
- Repayment performance-historical

3.6 Credit monitoring

This is a post drawdown procedure and includes:

- Keeping track of borrowers compliance with credit terms,
- Identifying early signs of irregularity,
- Conducting periodic valuation of collateral
- Monitoring timely repayments

3.7 Security Documentation

Collateral and security documents. The following shall apply:

- These should be kept in a fireproof safe under dual control.
- Registers for documents should be maintained to keep track of their movement
- Procedures should be in place for tracking and review of insurance policies
- Physical checks should be conducted on a regular basis.
- All loans should be fully (100%) secured.
- The Sacco shall accept the following types of collateral dependant on the loan being issued:
  - Guarantors- for all loans
  - Lien on shares/ cash- for all loans
  - Motor vehicle log book or other fixed asset- only for asset finance loan
- The total shares available for the borrower and those of the guarantor(s) must not be less than the loan applied for.
- There will be no maximum number of guarantors, but the minimum shall be determined by the Board on a case by case basis.
- All guarantors must be members of the Society.
- The obligation of the previous guarantors shall cease upon completion of the loan or change of guarantors but subject to new guarantors being accepted by the Society. The obligation of the guarantors shall reduce progressively as the loan balance
decreases and shall cease when the loans guaranteed have been reduced to the equivalence of the member’s shares.

4. DEALING WITH BAD AND DOUBTFUL DEBTS

4.1 Secured Bad Debt Recovery Strategies
Demand for immediate repayment of the entire loan within 30 days for facilities secured by other forms of securities or unsecured debts.
Realize security if the borrower has no ability to immediately repay the debt.
You may negotiate with debtor for temporary indulgence if the debtor requests to be allowed limited period to repay from a definite source of funds. The mode of allowable negotiations is covered elsewhere in this document.

4.2 Default Management

Arrears
a) A loan shall be considered to be in arrears when whole or part of an instalment is not paid on the due date for whatever reason.
b) Instalments in arrears will attract penalty at a rate determined by the Management from time to time.

Delinquent Loans

When a loan has an instalment in arrears it is said to be delinquent which puts the whole loan at risk. Loans in arrears shall also be considered as delinquent loans because they could turn out to be non-performing.

Defaults/non performing loan

A loan shall be considered to be in default if instalments are missed and remain unpaid for a period of 90 days. The whole loan will be deemed to be in default.

4.3 Loan Recovery

a) The SACCO Management through Credit Committee and the Sacco manager shall make efforts to collect loans considered to be in default.
b) Where the loan and interest balance is equal or less than the member’s savings, it shall be recovered from the savings.
c) If the loan outstanding is greater than the member’s savings, the Society shall recover the loan from the employee’s benefits through the employer or other property/assets pledged by the member.
d) Where a member defaults and the Society is unable to recover the loan from his employer, the loan shall be recovered from the guarantors.
e) A member whose loan is in default shall be blacklisted and will not be eligible for another loan for a period of not less than six months.
f) No member shall be allowed to withdraw from the society if in default but after clearing the loan balance.
The following actions shall be taken on loans in arrears and in default:

i. Mail Notice shall be sent to members that have an instalment in arrears (past due) for 30 days requesting the member to pay within **14 days**. The letter shall be copied to the guarantor for information and also to assist in recovery process.

ii. Failure to repay the loan after 30 days of issuing notice, a demand letter shall be issued to the member and his guarantors informing him/her the Society’s intention to realize the security (ies) pledged for the defaulted loan, i.e., deposits, shares and other security (ies) pledged.

iii. If the balance is not cleared 30 days after the demand notice has being issued, the Society shall recover the loan plus interest from his shares/collateral then from the guarantors.

iv. If the whole balance is not recovered from a member’s collateral and guarantors, a notification shall be given to the member that he/she is being transferred to a debt collector or Sacco lawyer for further actions on recovery at the expense of the borrowing member. The member shall also be listed with the Credit Reference Bureaus.

v. All correspondences regarding loan delinquency shall be properly filed by the loans department.

<table>
<thead>
<tr>
<th>Days in arrears</th>
<th>30</th>
<th>60</th>
<th>90</th>
<th>120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action</td>
<td>Notice of arrears issued to loanee copied to guarantors</td>
<td>Demand letter to loanee and guarantors.</td>
<td>Recovery from collateral and guarantors</td>
<td>Handover to debt collectors</td>
</tr>
</tbody>
</table>

**Loss of a Member in Default**

a) When a member dies while repaying a loan that is not in default, the loan balance and interest shall be paid by the insurance company upon notification and application.

b) Where a member dies and has a loan that is in arrears, the loan shall be recovered from member’s collateral and guarantors if inadequate.

**Loan Loss Provision and Write-offs**

a) At the end of each quarter or any such other times as the SACCO Management may require, the Manager shall prepare a detailed report of all loans on which the Sacco anticipates loss of interest and/or principal (Provisions for Doubtful Loans report).

b) The Sacco shall be required to maintain an allowance for loan losses based on the Provisions for Doubtful Loans report. When all effort to collect and or the loan has been turned over to collector or Sacco lawyer and the period has exceeded 18 months, such loans will be charged off against the allowance for loans loss.

b) In event that the principle sum and interest is not fully recovered from the security offered by the defaulting member and the guarantors, the balance shall be provided for at the rate of 100%. (written off)
<table>
<thead>
<tr>
<th>Period of default</th>
<th>Risk Grade</th>
<th>% of General provision</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 days</td>
<td>Performing</td>
<td>1%</td>
</tr>
<tr>
<td>1-30 days</td>
<td>Watch</td>
<td>5%</td>
</tr>
<tr>
<td>31-90 days</td>
<td>Sub standard</td>
<td>25%</td>
</tr>
<tr>
<td>91-180 days</td>
<td>Doubtful</td>
<td>50%</td>
</tr>
<tr>
<td>Over 180 days</td>
<td>Loss</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Loan Rescheduling and Refinancing**

a) Members may be allowed, at the discretion of the SACCO Management to reschedule their loans or extend a loan repayment period when they face undue/unforeseen circumstances. Rescheduling a loan will be charged a one off fee of 6% (or dependent on the SACCO Credit Policy) of the amount to be rescheduled and the normal interest rate for the existing loan shall continue to apply. This fee shall be determined by the board and may change from time to time.

At the discretion of the SACCO Management, a member may be issued with an additional loan of similar type as his/her running loan which shall then be used to offset the outstanding balance of the current loan and the balance disbursed to the member. Refinancing shall be allowed once per loan only after interest due on the loan has been paid in full. A refinancing fee shall be charged at 6% of the outstanding loan balance. This fee shall be determined by the board and may change from time to time.

**5. LOAN REPORTS**

**5.1 Reports**

Reports shall be generated at all points of the loan application process. The reports shall assist the SACCO Management keep track of the loaning process and assist them in making more informed decisions. The system shall thus produce the following reports:

- Loan applications report
- Appraised loans report
- Deferred loans report
- Declined loans report
- Approved loans report
- Disbursed loans report
- Loans repayment schedule
- Recovery variance report
- Defaulted loans report/Ageing analysis report

The Sacco Manager shall be responsible for production of all the above reports. The reports should be ready by the 10th date of the following month. Member statements should be submitted by the 15th of subsequent months or quarterly whichever may be applicable.
5.2 Registration and reconciliation

Maintain official monthly reconciliations/investigate reconciliation entries/or any differences that may arise. Entries and postings in auxiliary registers and notebooks are valid if they are simultaneous and thorough and reviewed daily and matched with receipts to ensure their validity.

Expenditure reports, daily reports, summaries and income vouchers must be signed by the reviewer and the author of such documents before they are posted.
### Session 6.2.: Savings & Resource Mobilization

1. Welcome and introductions where necessary.
2. Recap the previous session
3. Write the topic *Savings & Resource mobilization* on the Flipchart

### Materials Required:

1. Materials Needed
2. Flip chart
3. Marker pen
4. Masking tape
5. Business purse
6. Money box

### Objective:

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

1. State and put to use steps to mobilize savings and other resources for investment and future use.
2. Inculcate a culture of savings among individuals and enterprise groups;
3. Appreciate the importance and channels of saving;
4. Distinguish between good and poor savings habits.

### Learning Outcomes:

The aim of this training module is to enable practicing and potential entrepreneurs to gain specific knowledge, skills and values that help them define concepts such as savings and various ways of savings, understand the concept of resource mobilization and appreciate practical application of saving through formal and informal channels.

### Training Methods:

- Presentation
- Group Discussion
- Individual exercises
- Plenary discussion

### Time | ACTIVITIES
--- | ---
60 Min | Introduction

‘Savings and Resource Mobilization’ is expected to enhance knowledge on savings among women entrepreneurs and empower them to create new enterprises and jobs out of their savings. This module addresses definition of saving, saving process, resource mobilization.

1. Participants to highlight Good and bad saving habits:
   - Create a group of 2-3 participants taking into consideration participants’ literacy
   - Encourage all participants to contribute to their groups.
   - The group to appoint one person to take notes and make a presentation thereafter.

### Tip

- Provide adequate materials for the participants
- The trainers to walk round to oversee the discussion
2. Share reflections in plenary
   - Once the time is up ask the group leaders to make brief presentations.
   - Trainer to facilitate a debate to enable participants to reflect on the presentations.

3. Wrap up session:
   - Thank participants for their active participation throughout the session and attention to the rules set.
   - Summarize the session by mentioning:
     - Good saving Habits.
     - Poor saving Habits

**Tip**
Before presentation by participants, consider making use of energizer

**5 Min** CHECK LEARNING POINTS
Please mention what you have learnt during this session.
Ensure the following are mentioned:

**5 Min** SUMMARY

**Homework:**
- Each participant to go through this module once again and note the following:
  - Identify a saving habit to start on from today.
  - Write down an item/items that you intend to acquire with the money saved from your business and state the time within which you plan to have acquired the said item/s.

**Notes for trainers**
- Suggest good and bad saving habits (20mins)
- Ask participants to explain some of the good and bad/poor saving habits.
Handout 1: Definition of Savings

*Savings may be defined as:*

a) Income not spent, or deferred consumption.
b) The difference between one's income and consumption.
c) Amount of money assigned to future consumption.

1. Reasons For Saving

a) To help address unforeseen circumstances such as medical bills.
b) Savings provides the most viable means to acquiring assets.
c) Based on the high cost of education, majority of people opt to save in readiness for their children’s and/or education for self.
d) People save in anticipation of accumulation of sizeable savings to enable them start or enhance an enterprise.
e) To finance their anticipated social purposes such as weddings.
f) Savings provides long term security in old age.
g) To access credit from financial institutions and act as collateral for credit access.
h) Saving enables pooling resources amongst members of a group.
i) Group savings creates a foundation for the group investment.
j) Savings enables families to meet their basic needs and improve their livelihood.

The ability to save is determined by:

a) Individual’s levels of earnings/income.
b) Individual’s saving discipline.
c) Individual’s consumption habits.
d) Individual’s socio-cultural obligations.
e) The social influence especially peer pressure.
f) Individual’s life’s goals and ambitions.
g) The economic environment such as inflation and high cost of living.

2. Benefits of Savings

a) Cushion against risks and financial shocks.
b) Creates a peace of mind.
c) Provides monetary safety net.
d) Facilitates accumulation of wealth.
e) Earns income in case of savings investments.
f) Increases life’s options.
g) Creates ability to invest in productive assets.
h) Provides collateral to borrowing.
3. **Suggested Good Saving Habits**

   a) Discipline.
   b) Have a clear purpose for saving and ensure you stick to your set objective.
   c) Ensure you prepare a shopping list to avoid impulse buying.
   d) Withdraw your savings when you have achieved your set goal and ensure that you utilize it for the intended purpose.
   e) Maintain a good savings record to enable you track the expenses and ensure you operate within the savings plan.
   f) Always prepare a budget that would give an estimate of the intended project to be financed by the savings.
   g) Cut down or eliminate the unnecessary expenses.
   h) Shops for bargains; and while shopping go for items that are on sale or discount prices.

4. **Poor Saving Habits**

   a) Living beyond your means.
   b) Bad life habits e.g. alcoholism.
   c) Being over generous.
   d) Lack of planning or poor planning (budgeting).
   e) Impulse purchases.
   f) Buying expensive items when you can get the same items for a cheaper price.
   g) Buying in excess e.g. buying extra items, yet you have similar item(s) that can substitute them.

5. **Saving Channels**

<table>
<thead>
<tr>
<th>Formal Channels</th>
<th>Informal Channels</th>
</tr>
</thead>
<tbody>
<tr>
<td>i. Banks (Commercial)</td>
<td>i. Saving in kind</td>
</tr>
<tr>
<td>ii. Mobile phone savings e.g. M-PESA</td>
<td>ii. Saving in cash at home /Home Bank</td>
</tr>
<tr>
<td>iii. Non-Bank Financial Institutions</td>
<td>iii. Saving in cash with others</td>
</tr>
<tr>
<td>iv. Public Service Bodies/ Programs e.g. NSSF</td>
<td>iv. Collective savings</td>
</tr>
<tr>
<td>v. Savings and Credit Cooperatives (SACCO’s)</td>
<td>v. Table banking</td>
</tr>
<tr>
<td>vi. Regulated Deposit Taking Micro Finance Institutions (MFI)</td>
<td>vi. Merry-go-round</td>
</tr>
<tr>
<td>vii. Other MFIs’</td>
<td>viii. Shop Keepers</td>
</tr>
</tbody>
</table>
5.1 Merits of the different saving channels

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<thead>
<tr>
<th>Formal Channels Advantages</th>
<th>Informal Channels Advantages</th>
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</thead>
<tbody>
<tr>
<td>a. Security is guaranteed due to regulation</td>
<td>a. Allows savings of small amounts</td>
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<tr>
<td>b. Reliable records</td>
<td>b. No cost or minimal cost</td>
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<tr>
<td>c. Unlimited amounts of savings</td>
<td>c. Easy access</td>
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<tr>
<td>d. Different product offering</td>
<td>d. Less bureaucratic.</td>
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<td>e. Accommodate unbanked members</td>
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<td>f. Involvement in decision making</td>
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<td>g. Friendly and flexible terms</td>
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</tbody>
</table>

5.2 Demerits of the different channels of saving

<table>
<thead>
<tr>
<th>Formal Channels Disadvantages</th>
<th>Informal channels Disadvantages</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. May not allow small amounts of savings</td>
<td>a. Limited amount of savings</td>
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<tr>
<td>b. Too much bureaucracy and processes</td>
<td>b. Security not guaranteed</td>
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<tr>
<td>c. High cost in terms of charges</td>
<td>c. Unreliability of records</td>
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<tr>
<td>d. Inflexible terms</td>
<td>d. Limited product outlay for low income members</td>
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<td>e. Dependent on the leadership of the group</td>
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The trainer will take participants through the concepts of table banking and merry-go-round to help them appreciate alternative saving methods that can be used to improve their businesses.

The trainers will take the participants through the meaning and application of the slogan “Earn more, spend less and save more”

Key Messages from the Session

1. Savings and resource mobilization is needed for the start and or growth of a business.
2. Resource mobilization would require individuals coming together with a view to pull resources for a defined activity.
3. Savings/resource mobilization can be affected negatively by the following:
   - Economic conditions- People at the bottom of pyramid often are faced with harsh economic conditions that inhibit their ability to save.
Culture and perception—Some cultures discourage people from saving due to retrogressive beliefs such as:
- Women not being allowed to own property.
- Instilled fear for possible consequences of witchcraft due to accumulation of wealth.
- High expectation of financial support by extended family among others.
- Inconsistent habits of saving due to irregular income and high financial obligations.
- Minimal returns from subsistence businesses that limit their ability to save.
- Limited information on benefits and means available for saving.
- High indebtedness inhibits the ability to save money.

“Earn more, spend less and save more”

APPENDICES
Appendix 1: Market Survey Form/Tool

MARKET SURVEY FORM / TOOL

1. Potential Entrepreneur

1.1. Name

1.2. Age

1.3. Education background

1.4. Employment Record

1.5. Professional background

1.6. Family Profile. a. Married b. Single c. Widowed
d. Number of Children under 18/21 e. Are both parents alive?

1.7. Cell-phone Email

1.8. Home Physical Address P.O. Box

1.9. Specific proposed area for the Business
2. Profile of the Market for the proposed business

2.1. Name of Town /Centre .................................................................

2.2. Nearest major town...........................................City........................................

2.3. Sub-County...........................................County........................................

2.4. Location of the proposed business site: (give details, name of estate, road/ street/ plot number/ title etc.)

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2.3. Name major land marks (Religious buildings Churches, mosques, temples. Factories, Plantations, Rivers, lakes, Forests, Hotels, Super markets, Governments Offices, Companies and any important land marks especially those sites that have positive or negative influence or effects to business enterprises

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3. Existing Enterprises In My Area

Carry a head count of the business that is found in the proposed location of your business. Carryout the head count in 5 to 10 kilometer radius

<table>
<thead>
<tr>
<th>No of Retailers</th>
<th>No. of Manufacturing</th>
<th>No. of Agribusiness</th>
<th>No. of Wholesalers</th>
<th>No. of Service Providers/Business</th>
</tr>
</thead>
</table>
Comments on the Market profile on existing businesses

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</tbody>
</table>
4. Possible / non existing enterprises in my area.

<table>
<thead>
<tr>
<th>Retailers</th>
<th>Manufacturing</th>
<th>Agribusiness</th>
<th>Wholesalers</th>
<th>Service Providers</th>
</tr>
</thead>
<tbody>
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</table>

Comments on none existing business in the proposed business location

..........................................................
..........................................................
5. Make a List five possible business ideas that can do very well in the proposed location

<table>
<thead>
<tr>
<th>BUSINESS IDEA</th>
<th>DESCRIPTION (Positive and Negative).</th>
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</thead>
<tbody>
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</tbody>
</table>
6. **SWOT Analysis of the Business Idea.**

6.1. Final/Selected Business Idea out of the possible five

<table>
<thead>
<tr>
<th>Inside the Business</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strengths:</td>
<td>Weaknesses</td>
</tr>
<tr>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Outside the Business</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities</td>
<td>Threats</td>
</tr>
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<td></td>
<td></td>
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</table>
6.2. Strategies to overcome weaknesses and minimize threats.

<table>
<thead>
<tr>
<th>Weaknesses</th>
<th>Strategies to overcome weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Threats</th>
<th>Strategies to adjust to minimize/ threats</th>
</tr>
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<td></td>
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</table>

7. Type of Business: (Tick)

<table>
<thead>
<tr>
<th>Retail</th>
<th>Manufacturing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agribusiness</td>
<td>Service Provision</td>
</tr>
<tr>
<td>Wholesale</td>
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</table>

8. I have chosen this business idea because of the following reasons

i. ........................................................................................................................................
........................................................................................................................................

ii. ........................................................................................................................................
........................................................................................................................................

iii. ........................................................................................................................................
........................................................................................................................................
9. Products/ Services Market Analysis

<table>
<thead>
<tr>
<th>Product(s)/Service(s)</th>
<th>2</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Price</td>
<td>Customers</td>
<td>Needs/Preference of Customer</td>
<td>Competitors</td>
</tr>
<tr>
<td></td>
<td>Your Price</td>
<td>Competitor Price</td>
<td></td>
<td></td>
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<tr>
<td>1.</td>
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<td>5.</td>
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</tbody>
</table>

10. What promotional strategies are you going to put in place?

<table>
<thead>
<tr>
<th>Type of Promotion/ Advertising (Method of attracting customers)</th>
<th>Details</th>
<th>Cost</th>
</tr>
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<tbody>
<tr>
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### 11. Personal Profile of The Entrepreneur

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<tr>
<th></th>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Very Good</td>
<td>Good</td>
</tr>
<tr>
<td><strong>1: Experience</strong></td>
<td></td>
<td></td>
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<tr>
<td>In the Industry</td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Business</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2: Skills</strong></td>
<td></td>
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</tr>
<tr>
<td>Technical</td>
<td></td>
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<tr>
<td>Interpersonal</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3: Knowledge</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Academic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Running a business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-Job Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General knowledge</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4: Talent</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nurtured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>5: Any other Issues</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
12. Competitive Environment

12.1. Enterprise that are your direct competitors (Similar Businesses).

<table>
<thead>
<tr>
<th>Name of the Competitors</th>
<th>Strengths of the Competitor</th>
<th>Weaknesses of the Competitor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
13. Production

13.1. Required Machines and infrastructure

<table>
<thead>
<tr>
<th>Machines Required:</th>
<th>Cost (Ksh)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

13.2. Required tools and equipment

<table>
<thead>
<tr>
<th>Tools and Equipment Required:</th>
<th>Cost (Ksh)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>

1.1. Estimated required raw materials and stocks to start the business

<table>
<thead>
<tr>
<th>Estimated raw materials required to start the business</th>
<th>Cost (Ksh)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
</tbody>
</table>
1.2. Human Resource (Required Staff)

<table>
<thead>
<tr>
<th>Task</th>
<th>Required Skills and Experiences</th>
<th>Monthly Payments</th>
<th>Statutory Deductions (e.g. NSSF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner/ Manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management Team</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervisors</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operators/Administrators</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support Staff/ Casuals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any other</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Number of Staff
Total Staff Cost per month

1.3. Required Start Up Capital.

<table>
<thead>
<tr>
<th>Required Start Up Capital</th>
<th>Kshs.</th>
</tr>
</thead>
</table>

**INVESTMENTS:**

**Business Premises**
- Construction or purchase of building
- Conversion or reconstruction of business premises
- Machinery
- Others:

**Materials, Tools and Equipment**
- Furniture
- Fittings
- Tools & Equipment
- Others:

**WORKING CAPITAL:**

- Human Resource (Employees)
- Owner/ Manager Salary
- Stock of raw materials or finished goods
- NEMA Assessment
- Wages
- Rent
- Licenses and Registrations
- Insurance
- Electricity & Water
- Stationery
- Repairs and maintenance
- Promotion
- Owner/ Manager Salary
- Other Costs:

**TOTAL START UP CAPITAL**
1.4. Sources of Start Up Capital

<table>
<thead>
<tr>
<th></th>
<th>Kshs.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Required Start Up Capital</strong></td>
<td>______________</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sources of Start Up Capital:</strong></td>
<td></td>
</tr>
<tr>
<td>Owners’ Equity</td>
<td></td>
</tr>
<tr>
<td>Other Sources (e.g. Loan):</td>
<td></td>
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<tr>
<td></td>
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<tr>
<td><strong>Total</strong> (Must be the same as required Start Up Capital)</td>
<td>______________</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Collateral (if applying for loan)</strong></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td></td>
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<tr>
<td>2.</td>
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<td>3.</td>
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<td>4.</td>
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<thead>
<tr>
<th></th>
<th>JAN</th>
<th>FEB</th>
<th>MARCH</th>
<th>APRIL</th>
<th>MAY</th>
<th>JUNE</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH IN</td>
<td></td>
<td></td>
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<tr>
<td>Cash at the start of the month</td>
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<tr>
<td>Cash in from sales</td>
<td></td>
<td></td>
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<tr>
<td>Any other cash in</td>
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<tr>
<td>TOTAL CASH IN</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH OUT</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash out for Direct Material Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash out for Direct Labor Cost</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash out for Indirect Cost</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Cash out for planned Investment</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Loan Repayment</td>
<td></td>
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<tr>
<td>Any other Cash Out</td>
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<tr>
<td>TOTAL CASH OUT</td>
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<tr>
<td>CASH AT THE END OF THE MONTH</td>
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</tbody>
</table>
Appendix 2: Template for Online Marketing Strategy

1. I want to:
   a. Increase awareness of my products
   b. Find new customers
   c. Sell more to existing customers
   d. Other

2. My customers are primarily:
   a. Local - within my constituency
   b. Regional – within Kenya
   c. Global - within Africa and the rest of the world

3. Most of my customers found my business by:
   a. Word of mouth / referrals
   b. Print advertisements
   c. In-person presentations
   d. Radio / TV advertisements
   e. Search engines / online ads
   f. Direct mail
   g. Phone calls
   h. News coverage / press releases
   i. Yellow Pages / other directory
   j. Foot traffic / walked by
   k. Billboards / other signage Other

4. My customers visit these websites regularly:
   a. Search engines (List Names, URLs):
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________
   b. Social media sites (List Names, URLs):
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________
   c. Shopping sites (List Names, URLs):
      ____________________________________________________________
      ____________________________________________________________
      ____________________________________________________________
   d. Community sites (List Names, URLs):
      ____________________________________________________________
      ____________________________________________________________
e. Other (List Names, URLs):

__________________________________________________________________
__________________________________________________________________  

5. Internal assets I can use to build my business online:
   a. Ecommerce store
   b. Social networking sites
   c. Mobile marketing
   d. Online videos
   e. Other __________________________________________

6. Online tactics that may fit my business include:
   Mobile marketing (Rationale?):

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

Social networking sites (Rationale?):

_____________________________________________________________________
_____________________________________________________________________
_____________________________________________________________________

Online videos (Rationale?):

_____________________________________________________________________

Ecommerce platforms (Rationale?):

_____________________________________________________________________
_____________________________________________________________________

7. Planning specifics
   a. My online efforts will be managed by:
      i. Me __________________________________________________
      ii. Staff member1 _________________________________________
      iii. Staff member 2 _____________________________________
      iv. Staff member 3 _______________________________________
   b. I will spend this much on my online marketing each month:
      i. Less than Ksh100
      ii. Ksh 100 – Ksh 500
      iii. Ksh500-Ksh1,000
      iv. More than Ksh 1,000
   c. For the next three months I will:
      Action Item: Platform / URL: Frequency:
      (Update my products) (WEF SOKO) (Every week)
   d. I will measure my success by:
<table>
<thead>
<tr>
<th>Metric: (Number of views)</th>
<th>Platform / URL:</th>
<th>Goal: (10 views in a week)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><a href="http://www.wef.co.ke">www.wef.co.ke</a></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 3: Session Energizer

Game: Catch the Customer

The game is a fun way to be reminded that it requires an effort to get customers to buy your products or services. It has a lot of movement and can lift the energy. You need enough space to for the participants to form a big circle holding hands and run around on the outside of the circle.

1. The game is like the children's game called 'Cat and Mouse', except that instead of a cat catching a mouse, it's a business catching a customer.
2. Participants stand in a circle, holding hands. One person is the business and starts inside the circle. Another is the customer and starts outside the circle.
3. The business and the customer can only pass from the inside to the outside, or the other way, when two people in the circle chooses to 'open a door' by raising their arms together, forming an opening.
4. The people in the circle should create enough openings to make the game fun - not too easy, and not too hard! Play the game.
5. Ask participants what the game can teach us about marketing? For example: You have to be smart and make an effort to catch the customers!

Game: Walking Triangles

The game is a fun way to be reminded how we all have an effect on each other. You need enough places for everyone to walk around amongst each other. You might do it outside.

1. Everyone should pick to other people in their mind, but not tell anyone.
2. Explain the rules: You now have to walk so that the three of you form a triangle where all three sides are of equal length. The triangle must be 'perfect'. Because the other two have picked other person, they will be walking too. So you constantly have to keep walking to try to keep the triangle shape.
3. Start the game!
4. After some time, stop the game
5. Ask for reflections? What can we learn from this game about how we affect each other?

Game: Singing a Gospel

Most Maasai are Christian and like to sing gospels. This can be a great idea for a short break that lifts the energy in the class.

1. You might ask participants to choose a lead singer.
2. Make everyone stand up.
3. Get the participants started, and sing/clap along
Game: Clapping Circle

1. The game requires the participants to focus and help each other.
2. Stand in a circle.
3. Send a clap around - you look at the next person in the circle, get eye contact, and clap.
4. The person then turns to the next persons, gets eye contact, claps, etc.
5. You can only pass the clap when you have eye contact.
6. When participants learn to do it well, you might ask them to it faster.
7. You can try sending two claps around, one in each direction.
Appendix 4: Participant’s Information Form

1. Name, Address, Contact Phone Numbers and E-mail:
   ..................................................................................................................................................
   ..................................................................................................................................................

2. Sex □ Male □ Female

3. Age ….. years

4. Do you have a business □ Yes □ No

5. Do you plan to have a business □ Yes □ No

6. Is your (future) business:
   □ A one-person business □ A family business □ A group business
   □ Other, please specify: ................................................................................................................

7. What is your (future) role in the business:
   ..................................................................................................................................................

8. Type of business idea (for example, production, service, trade)
   ..................................................................................................................................................

9. Who will be your (future) customers
   ..................................................................................................................................................

10. What support do you need to improve your business (idea)?
    ..................................................................................................................................................
    ..................................................................................................................................................

11. How long has your business been in operation?
    □ not yet □ less than 1 year □ between 1 to 5 years □ more than 5 years

12. What expectations do you have for this training program?
    ..................................................................................................................................................

13. Any other comments?
    ..................................................................................................................................................

275
Appendix 5: Participant’s Profile-TOT Workshop

1. Name, Address and Contact Phone Numbers
.................................................................................................................................................................................................................................................................................................................................
.................................................................................................................................................................................................................................................................................................................................
.................................................................................................................................................................................................................................................................................................................................

2. Sex □ Male □ Female

3. Age .......... years

4. Name of your organization:
.................................................................................................................................................................................................................................................................................................................................

5. Job title:.................................................................................................................................................................................................................................................................................................................................

6. Name of your project .................................................................................................................................................................................................................................................................................................................................

7. Please describe your target groups (sex, age, income level)
.................................................................................................................................................................................................................................................................................................................................
.................................................................................................................................................................................................................................................................................................................................

8. What support are you providing to your target groups?

9. .................................................................................................................................................................................................................................................................................................................................

10. How much experience do you have as a trainer?
□ less than 1 year □ between 1 to 5 year □ more than 5 years

11. How much experience do you have in gender equality promotion?
□ less than 1 year □ between 1 to 5 year □ more than 5 years

12. How much experience do you have in enterprise development?
□ less than 1 year □ between 1 to 5 year □ more than 5 years

13. What expectations do you have for this training program?
.................................................................................................................................................................................................................................................................................................................................
.................................................................................................................................................................................................................................................................................................................................

14. Any other comments?
Appendix 6: Training Evaluation Form

WEF invites you to evaluate the training that you have completed. Your input will assist us to future training.

Part 1: Details of the Trainee Please choose one of the following choices about you:
1. Gender: Female……….. Male…………
2. Age: Below 20 yrs 20 - 25 yrs 25 - 35 yrs 36 - 50 yrs 51 - 65 yrs over 65 yrs

Part 2: Details of the Training
3. Dates of the Training: From ………………………… to …………………………
4. Venue of the Training: ……………………………………………………………….
5. District where Training was Held: ………………………………………………….

Part 3: Organization of the Training
6. Invitation to the training was done in good time: Yes………… No …………
7. Information about venue and aim of the training were clear: Yes…… No………
8. Food at the venue was good: Yes………. No………
9. Organizers treated participants well: Yes……… No………..
10. I would like to be trained at the same venue in future: Yes………. No………

Part 4: Relevance of Training Materials

Please indicate the extent to which you agree with the following statements by choosing the values 1-3 where 3= very true, 2= somehow true, 1= not true Statement Rating
11 The training materials are relevant to my needs 1, 2, 3,
12 The training is applicable to me as an entrepreneur
13 I can apply the knowledge learned to improve my business

Part 5: The Facilitator
14 The facilitator is clear, knowledgeable and interesting
15 The facilitator gives participants time to share experiences
16 The facilitator keeps time and is systematic during sessions
17 I would like to attend future training with the same facilitator

Thank you for your time and input.