



International
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Biz-up

Self-employment skills for young people



FACILITATOR'S GUIDE AND TOOLKIT

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Self-employment skills for young people

Valli Corbanese and Gianni Rosas

International Labour Office

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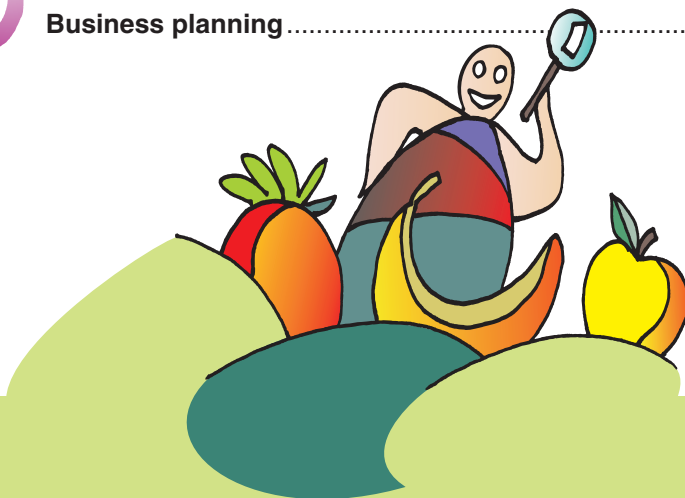
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The International Labour Organization (ILO) has long been engaged in creating greater opportunities for young women and men to secure decent employment and income. Self-employment promotion is an important component of the ILO's work on employment policy, and human resources development and training. In particular, the Human Resources Development Recommendation (R195), 2004, calls for international cooperation to develop young people's entrepreneurial skills through education, training and lifelong learning. The ILO has been prompted by its member States to develop tools for the promotion of decent work for youth.¹

¹ See "Conclusions of the Tripartite Meeting on Youth Employment: The Way Forward", ILO, Geneva, 2004 and the "Resolution concerning youth employment", ILC, 93rd Session (Geneva, 2005). These documents are available from the youth employment website of the ILO at <http://www.ilo.org/youth/events.htm>

Introduction

Self-employment promotion has become an integral part of national strategies that aim at creating employment for young people. However, lack of information coupled with low awareness about self-employment opportunities lead many young people to consider wage employment the only pathway to the labour market. At the same time, other young people step into self-employment without having the basic information it takes to make this important career decision.

The aim of this Guide is to raise awareness on the set of skills that are important for self-employment creation, but also for responding to changing labour market demand and for encouraging young people to find new ideas and ways of doing things. They need to be encouraged to learn how to identify opportunities, research information, solve problems and work in teams. Such “enterprising” capacity can provide additional career options to young people.

This Guide has been designed for the promotion of self-employment through group sessions organized by staff of labour market institutions in charge of employment promotion. It can also be used by employment service advisers while providing counselling services and preparing individual employment plans for young people. Once the interest and potential of young people to enter self-employment have been identified, the facilitators can refer them to comprehensive self-employment programmes and tools that are available in their countries. For this purpose, the International Labour Office (ILO) has developed fully-fledged programmes and tools (e.g. Know About Business and Start and Improve Your Business) that have been adapted and applied in many countries.

This tool has been developed on the basis of the experience gained by the ILO through the implementation of several technical assistance

programmes on employment and skills development in the countries of Central and Eastern Europe (CEE) since the early 1990s. Many of these programmes included the promotion of self-employment as part of integrated packages of employment and training services.

The Guide has been developed with the financial contribution of the Italian Ministry of Foreign Affairs. The preparation of this Guide would not have been possible without the invaluable support of many employment counsellors and trainers of labour market institutions in several countries. They tested the various drafts of the Guide while conducting awareness-raising programmes and group counselling sessions for young people in their countries. Appreciation is also expressed to Severine Deboos, Esther Germans, Margaret Reads-Round and James Windell for providing feedback on the basis of their experience gained from the implementation of the ILO's youth employment projects in different regions of the world. The authors are thankful to Giovanna Rossignotti of the Youth Employment Programme of the ILO for her useful comments and suggestions.

How to use the Facilitator's Guide

Objective

The purpose of this publications is to provide guidance to those who assist young people in developing their knowledge, skills and attitudes so that they can adapt to changing labour market demands and, therefore, take advantage of employment opportunities.

The main objective of the Guide is to enable young people to make informed decisions while considering whether self-employment could be a career choice. The key role of the facilitator is to provide information and "know-how" to make young people reflect on whether self-employment can be an alternative to wage employment.

Target group

The Guide has been developed to serve as a support tool mainly as a support tool for training activities geared to the promotion of self-employment. The training approach and activities have been designed to reach out to young people between 15 and 24 years of age, although the definition of a young person can vary across countries. The minimum requirement for participating in these self-employment workshops is the ability to read, write and to make basic arithmetic calculations.

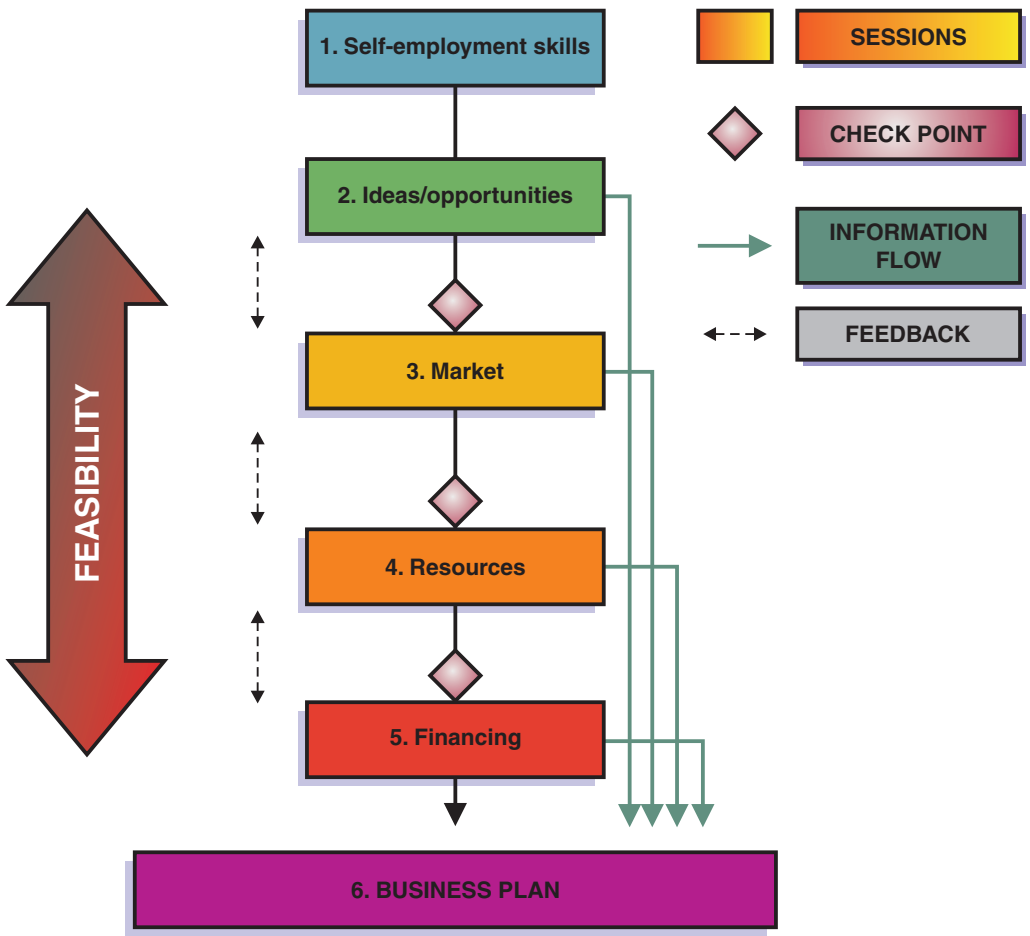
Facilitator's profile

The Guide can be used as reference material by staff of labour market institutions in charge of employment promotion but also by employment service advisers, trainers, youth leaders and peers. Facilitators are not required to possess prior knowledge on enterprise development, but they need to have good facilitation and training skills and to be creative and imaginative. This is particularly important for the selection and adaptation of learning resources to the needs of the audience and of the national context.

Structure and content

The Guide is organized around six training sessions totaling approximately eleven training hours and it is accompanied by the booklet *Biz-up: Self-employment kit for young people – User's Guide* that provides an example of how facilitators can design a country-specific guide to be used by young people.

The proposed learning sequence and content are summarized in the following flowchart.



Learning strategy The training programme starts with the appraisal of learners' strengths and weaknesses in relation to a set of self-employment skills and attitudes; it then helps participants identify business ideas, assess their market feasibility and resource requirements, and design the business plan.

During the first session, the facilitator should walk participants through the objectives of the workshop, check their expectations and “get a feeling” of the audience. This session is centred around three key themes:

- i) rectifying misconceptions about business start-up,
- ii) understanding key terms used in the workshop, and
- iii) discovering entrepreneurial skills and benchmarking them to the individual's profile.

The second session focuses on generating business ideas, finding information and networking. The activities of this session provide the first learning checkpoint of the workshop. The third session deals with the feasibility of business ideas and leads toward a full market analysis. The fourth session helps the facilitator guide participants through the process of identifying human and financial resources and introduces the concept of business planning. The fifth session focuses on financial management. The last session pulls everything together in a business plan. The presence of an expert – such as a bank officer – may be useful at this stage to help participants overcome the hurdles of cash flow and balance sheets.

The proposed learning strategy focuses on fostering the skills that are instrumental to self-employment. The design of the learning activities should be tailored to the local context so as to include information, tips and

practices relating to the geographical area where young participants live, as well as involve resource persons from the business community.

For each session, the Guide identifies learning objectives, activities (exercises and assignments) and the approximate delivery time. Before delivering the training workshop, facilitators are advised to:

- ① go through the whole Guide (to get an understanding of the topics covered and of the activities proposed);
- ② conduct a training needs analysis;
- ③ identify which of the Guide's sections and tools need to be adapted to the national and local context as well as to the needs of the target group;
- ④ develop a plan for each session, highlighting the objectives, content, activities and learning resources (an example is provided in Annex 2);
- ⑤ prepare the learning resources to be used with and distributed to participants;
- ⑥ prepare an end-of-workshop validation sheet (to measure participants' satisfaction and their achievement of the envisaged learning outcomes).

Not all participants in the workshop will become self-employed. However, by participating in this type of activity, most young people will acquire the basic knowledge that can help them decide whether self-employment is a possible career path. If this is not the case, they will have acquired the capacity to be “opportunity ready” and “enterprising”.

The activities of this Guide, therefore, are also designed to help the facilitator introduce young people to the following core employability skills:

- **Collection, analysis and organization of information** (capacity to locate and select information, present it in a useful way, and evaluate sources and methods used to obtain it).
- **Communication of ideas and of information** (capacity to communicate effectively with others using a range of spoken, written, graphic and other non-verbal means of expression).
- **Teamwork** (capacity to interact with others on a one-to-one basis and in groups, to understand and respond to the needs of other people and to work as a member of a team).
- **Problem-solving** (capacity to solve problems, both when the problem and the solution are evident and when critical thinking and creativity are required).

Activities and assignments

Facilitator's notes on both self-employment and the learning process are embedded into the text. The activities proposed in this Guide are given as examples, and facilitators are advised to design individual and group exercises that are tailored to the national and local context. Examples and templates for individual and group activities are appended in the toolkit.

At the beginning of each session, the facilitator should reserve some time to discuss with participants the learning objectives and the results of the prior assignment. At the end of each session, the facilitator should devote 5 to 10 minutes to summarize the key learning points and describe the assignment young participants should undertake outside the training workshop. The purpose of these assignments is to introduce the learning objectives of the next session,

and to guide participants through their learning experience.

Thus, the facilitator needs to point out at the onset of the workshop that:

- the participants are in charge of their own learning, and
- most of the learning will occur through practical activities both within and outside the training workshop.

Adaptation

To complement the activities presented in the Guide, the facilitator should gather and organize available information on existing self-employment promotion programmes and services. All the agencies and organizations involved in these programmes must be identified and listed, along with the scope of their activities and their role in the promotion of self-employment (e.g. advisory services, credit, training, marketing assistance). During the workshop, business directories, telephone directories, lists of public and private providers of services (chambers of commerce, employment services, business development agencies, export promotion agencies, etc.) need to be made available within the training facility. Information on the administrative, legal and fiscal requirements for business start-up (registration, licenses, taxes, etc.), as well as on conditions of work (e.g. social security, minimum wages, pension contribution, etc.) should also be collected and disseminated among young participants.

Finally, representatives of the local business community should be involved in the workshop. They can provide many opportunities to make the workshop more relevant and enjoyable (e.g. local businesspersons can be invited to share their experience with participants, but also to act as mentors).

Session 1 – Entrepreneurial skills



Learning objectives:

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

- define the terms enterprise, entrepreneurs and self-employment;
- analyse their own skills and attitudes and compare them to entrepreneurial characteristics.

Delivery time:

120 minutes

Questions and exercises:

- 1 Business start-up myths.
- 2 Defining enterprises, entrepreneurs and self-employment.
- 3 Self-assessment of entrepreneurial skills.

Assignment:

- Participants will ask other people (family members or friends) to score their “entrepreneurial skills” and will reflect on how to remedy existing weaknesses.
- Participants will observe items of common use (e.g. at home, in the street and in shops) and think about improvements that people would be prepared to pay for.

Introduction

Part of the first session should be aimed at introducing participants to the overall objectives of the workshop and at “getting a feeling” of the audience.

The learning objectives of the training need to be clear: participants are not required to set up their business at the end of the workshop; they are expected to “know how” to do it and have an understanding of whether entrepreneurship is a viable career path for them.

Participants also need to be introduced to:

- the *learning sequence* (number and content of sessions; expected learning outcomes)
- the *learning strategy* that is focused on a learner-centred approach requiring participants to “learn by doing” both within and outside the training workshop.

Business start-up misconceptions

The term “enterprising” indicates someone who is continuously on the lookout for opportunities and makes the most of them. Young people are increasingly expected to decide what is best for them – that is, they need to have a clear purpose and a “can do” attitude. At the same time, they often get discouraged and abandon the idea of becoming self-employed because they think they will never be able to obtain a loan, or that they will spend most of their time dealing with administrative tasks.

Activity

To dispel misconceptions on self-employment, ask young participants to list – first individually and then in plenary – the factors (e.g. capital, time, administrative and fiscal requirements) that in their opinion push potential entrepreneurs away from self-employment.

Business, enterprise, entrepreneur, self-employment

The availability of information on administrative and fiscal requirements will help you guide the discussion towards those factors that are real challenges for potential entrepreneurs.

The activity can be designed as an icebreaker (the *Business start-up syndrome* exercise in the toolkit offers an example) or as a brainstorming exercise.

There are a variety of terms that indicate the actors and scope of entrepreneurial activities (e.g. self-employment, entrepreneurship, enterprise, business owner).

National laws that regulate enterprise activities normally provide comprehensive definitions that can be used in the workshop. If no suitable definition can be found at national level, you may use those contained in Box 1.1, which describes the most commonly used terms.

You can also transform the *Glossary of Business Terms* (Annex 1) into an activity to acquaint participants with the terms that will be used during the workshop.

DEFINITIONS

Box 1.1

The terms *self-employed*, *entrepreneur* and *business owner* describe anyone who procures his/her own earnings through business, contract or freelance activity. More specifically, a *self-employed person* is someone who has a job or activity alone or with a small group of people, with or without paid employees, and an *enterprise* is an economic agent whose key function is to produce goods and services to be sold to make a profit.

Activity

Participants should be given the opportunity to think about what they already know about businesses and to identify the main characteristics of entrepreneurs.

This can be done by asking them to record (in pairs) on coloured cards, the name of a well-known local business, a common self-employment activity or a successful entrepreneur and to describe in one sentence the day-to-day activities (see the *Wordy Words* activity in the toolkit). The plenary discussion should result in a list of key entrepreneurial skills and attitudes (creativity, self-reliance, risk-taking).

Entrepreneurial skills

Entrepreneurship relates to the way in which individuals create and implement ideas and methods to produce goods and services. Entrepreneurial skills and attitudes can be developed through learning, even though some people are more prone than others due to the cultural, social and economic context in which they live.

Self-assessment

Self-assessment is the first step for young participants to understand whether they have “what it takes” to become entrepreneurs. There are various assessment tools available to find out what “being enterprising” means.

You can select the tools and “tests” commonly used in your country – developed, for instance, by business development agencies, business education and training institutions and employers’ organizations.

Activity

A selection of self-discovery tools is included in the toolkit for easy reference (*Let's score them, Are you enterprise-ready?, Self-assessment of entrepreneurial potential*).

You can ask participants to use one of these tools to measure their “entrepreneurship readiness” and discuss the results with a partner, friend or family member. Remind participants that these tools will help them reflect on the skills they already have and on those they need to acquire or improve, and that there are no “right” or “wrong” answers.

This self-discovery activity can also be used to help participants improve their entrepreneurial skills. For example:

- Are there differences between the self-assessment and the scoring given by other people on the participants' skills? If yes, have participants considered that they may be under- or over-estimating their own capacities?
- Can participants identify the skills they need to improve? How can they do it?

Improving or acquiring “enterprising” skills is instrumental not only for setting up a business, but also for employment and personal life.

Assignment: Generating business ideas

One of the most common business start-up myths is that a successful business requires inventing something new. On the contrary, many businesses are successful because they have improved existing products or services.

To prepare the ground for Session 2 (generating and identifying business ideas), ask participants to observe items of common use – at home, in the street, in shops – and to think of improvements that people would be prepared to pay for.

Alternatively, prompt participants to ask themselves “If only I had...”. There are needs that develop over time and originate from a change in individual preferences or in technology. To explain this concept, provide some examples of needs that have emerged in the recent past (e.g. cellular phones, school rucksacks, roller-blades).

Session 2 – Business ideas and opportunities



Learning objectives:

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

- generate and select business ideas and opportunities.

Delivery time:

90 minutes

Questions and exercises:

- 1 Generating business ideas.
- 2 Finding information and creating a network inventory.

Assignment:

- Using networks to understand production processes.

Introduction

The business idea is a short and precise description of the basic operations of a business. It explains what the business is about, who the clients are and how the products and services reach the market.

Wherever there is a need and a market that can be reached and served, there is a potential business. The challenge is not the lack of opportunities, but finding the right opportunity that matches the young person's resources, interests, skills and experience with a market need.

Generating business ideas and opportunities

To help participants think creatively, generate business ideas and look beyond the obvious, you could organize a brainstorming activity to get participants thinking about as many business ideas as possible.

Activity

As a brainstorming starter, you may use the assignment given in Session 1, or select one of the tools provided in the toolkit (*Generating ideas, Shining sun and Society game*). The selection of the exercise will depend on the learning styles of the participants and on the type of information that can be made available to them. However, you will need to keep in mind the main learning outcome of the exercise, which is the collection, analysis and organization of information.

Pair the participants up, then join the pairs together until the whole audience becomes one group. This will allow the participants to list and discuss a number of ideas in teams and, ultimately, to select the "best ones". Ideally and at this point, no more than five "best ideas" should be selected.

During the exercise, you will need to:

- 1 monitor and guide the discussion leading to the final selection and
- 2 play the role of devil's advocate – i.e. ask uncomfortable questions, such as “Who will be prepared to buy this product?”, “How much do you think it would cost?”.

The *Society game* exercise is rather complex and requires the engagement of participants outside the learning facility. If you decide to use this option, you can split the tasks of the activity among different sessions of the workshop (e.g. market analysis, networking and marketing).

“Good” business ideas

Once a preliminary list of ideas has been generated, it is necessary to see whether they could become a profitable business. To help young people understand what characterizes a good business idea, you may provide examples of ideas that turned out to be good businesses in your country or rely on the business ideas highlighted in Box 2.1.

SUCCESSFUL BUSINESS IDEAS

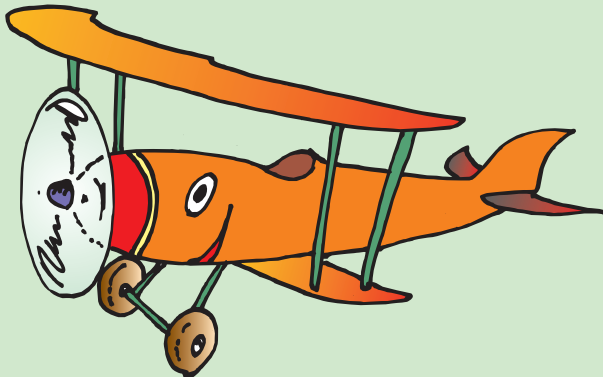
Box 2.1

Breathing Shoes

The idea of GEOX shoes was generated on a mountain trail and made its inventor one of the richest men in the world. While lacing up his boots for a mountain hike, the inventor of GEOX shoes began imagining how hot his feet would become when tramping along the mountain trail. He said to himself: "I wish I had boots with soles that could let in air, but no water or snow".

**Pony Express Russian Relay**

The idea of a Russian rapid delivery company came to two graduates with some experience in the delivery service. The objective was to offer courier services between Moscow and other Russian cities to corporations new to the Russian market. Since 1994, the two entrepreneurs have made their Moscow-based delivery service one of the more successful small-business start-ups in Russia. Today, Pony Express Relay offers courier services between Moscow and 185 cities, totals more than US\$5 million in annual sales and employs 270 staff.



Signing it up

The idea of producing cheap signs for shops came to a group of young people who heard small business owners complaining about the high prices of advertisement signs. The business uses scrap material, sculpture-type designs and innovative combinations of colours to produce unique advertisement signs at low cost. Their first job was to reproduce a famous woman's portrait with an elaborate hairdo to advertise a hairdresser's shop. The sign was painted on a board made out of scrap planks of wood.



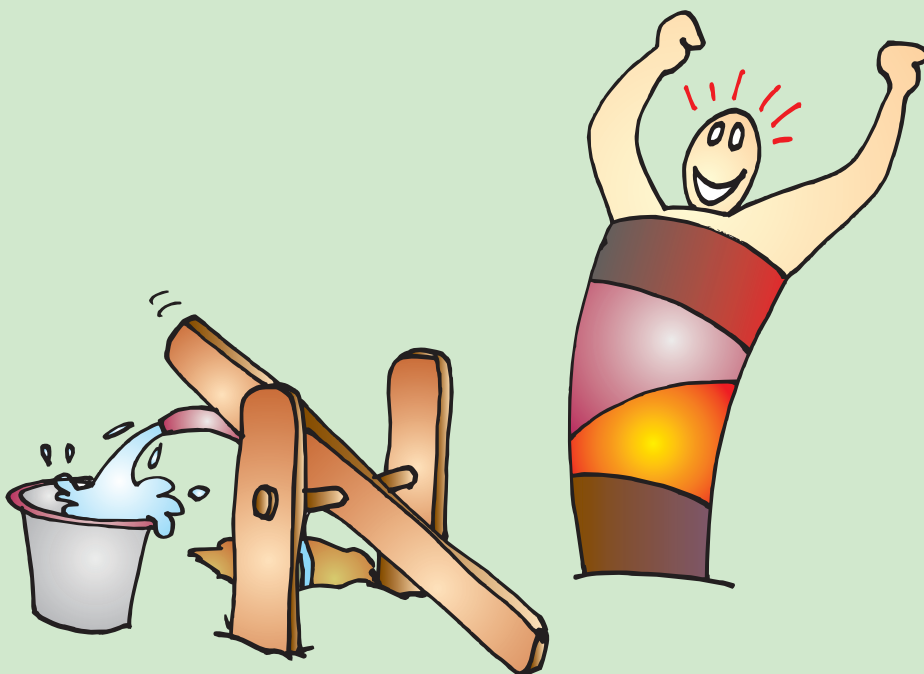
Wooden shades

The production of vertical and horizontal window shades made of scrap wood is another successful business idea. It came to a group of students passing by a wooden furniture company while going to school. The company had a lot of waste wood in its yard. This waste was sold from time to time to another company, but the transport costs were so high that the furniture company owner preferred to stock the scrap wood and sell it during the winter months as firewood. The students found out that 30 per cent of the waste wood was suitable for the production of wooden shades for windows, and concluded an agreement with the company. Today, the turnover of the window shade business nearly equals that of the furniture company.

Pedal water pump (treadle pump)

The idea of a pedal water pump has its origin in the African farmlands where water needs to be pumped from canals and wells both for irrigation and domestic uses. The idea of the treadle pump is an improvement on the hand-operated pump. Instead of using the strength of arms and torso, farmers use their legs and full body weight to operate the pump. Engine-operated pumps are costly to buy and to maintain, and they often break down because of intense use. In addition, many areas are not always served by energy supply, so electrical pumps are not suited to the needs of the farmers.

Four hours of treadle pumping per day can irrigate up to 0.5 hectares of land, save the costs of motor-driven and electrical pumps, and reduce the physical effort required by the hand-operated pumps.



Researching information

Activity

The research and acquisition of information, and the establishment of networks are key factors in understanding the feasibility of a business idea.

To help participants acquire the “know-how” on researching information, you may conduct a problem-solving exercise in small groups.

This exercise requires the availability of generic information sources, such as the telephone directory or a simple list of names, addresses and phone numbers of private and public companies. If this information is difficult to acquire, you can merge this activity with the networking exercise illustrated below, so that participants can make use of their network to find the information they need.

You can also adapt the exercise to suit the information sources that are available, or choose to place more emphasis on the problem-solving outcome. In the latter case, you should appoint an observer in each group to report on the process.

A sample for this exercise is available in the toolkit (*Finding and researching information*).

Networking

Activity

Networking means cultivating and expanding useful “contacts”. Family, friends, acquaintances and local administrators can provide a lot of information and create additional contacts useful for business, employment and community life.

You can ask participants to individually rate a pre-established list of people who may provide useful information and help in the business start-up.

Alternatively, you may ask participants to list all the people they know, indicating who they are, what they do and how they can help. Remind them that this network will be progressively expanded during the workshop.

Assignment: Selecting the “right” business idea

At this point participants are ready to check, through their network, whether their business idea is feasible.

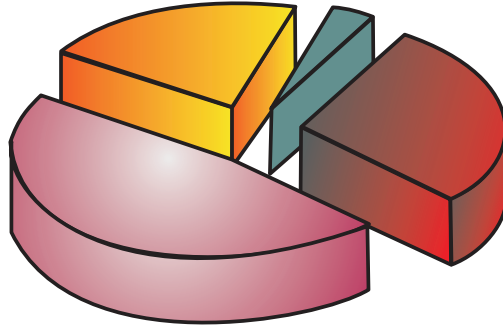
The selection of the “right” business idea (i.e. the one that best matches the individual’s skills and interests on the one hand with a market need on the other) requires an understanding of the production process.

This can be facilitated by an exercise that requires participants to research what the business idea involves in terms of production (e.g. how the goods or service are produced, what kind of equipment and materials are necessary, how much these cost and who the clients may be).

It is at this stage that most business ideas are discarded, because they are either too complex or too costly. This exercise should result in a shortlist of potential businesses to pursue. Make this point clear to participants and be prepared with a “last resort” idea, just in case all shortlisted ideas are unworkable or participants are experiencing problems (*Producing perfumed candles* is an exercise template that could be used in these cases).

Keep track of the composition of the groups involved in this activity so that the same teams can be regrouped for the business planning activity (Session 6).

Session 3 – Market analysis



Learning objectives:

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

- carry out a market analysis to verify the feasibility of their business idea.

Delivery time:

90 minutes

Questions and exercises:

- 1 Researching the market.

Assignment:

- Filling information gaps in the market analysis.

Introduction

The most important step in determining the feasibility of the business idea is to analyse the market. The success of a business largely depends on how well the market has been targeted.

Analysing the market

To find out whether the business idea has a market, it is necessary to know the potential customers, their needs and the price they can afford to pay for the goods and services to be offered. It may also be useful to introduce the concept of the four Ps (Product, Price, Place and Promotion) to help young people identify the information to be collected for the market analysis (see the explanation given in Session 6). Marketing experts usually classify their customers according to the following individual characteristics:

- *Gender and age* – purchasing habits vary between men and women, children, youth and adults;
- *Income and occupation* – both are indicators pointing to a client's preferences and spending capacity;
- *Family status* – spending habits of families differ significantly from those of individuals.

You could mention that in most countries, approximately 20 per cent of customers buy 80 per cent of the products/services of a business. This means that most of the clients will be buying only the remaining 20 per cent of the products or services.

Activity

There are various learning tools that can help young people get a sense of what “researching the market” means. You can select some of the tools that are used in your country (developed by business support agencies, chambers of commerce, banks or micro-credit institutions), or refer to one of the exercises of the toolkit (*Researching the market* and *Producing perfumed candles*).

Divide participants into small groups, each with one of the “best business ideas” generated in the previous session.

By now, participants “know how” to research information, have a network of contacts to be approached and have a number of research tools (telephone and business directories, lists of useful contacts, etc.). Such tools can be used to complete the information collected through the assignment given in the previous session (see activity *Researching the market*).

This group exercise gives participants the opportunity to practise a number of skills (e.g. research, collection and organization of information, teamwork, negotiation, time management). You should also suggest that participants put down the findings of their research in writing, as this will be useful in later sessions.

During the market analysis participants will certainly need to reformulate or refine their business idea. It is quite normal at this stage to disregard ideas for which there is no market and focus on those that have a chance of leading to a successful business.

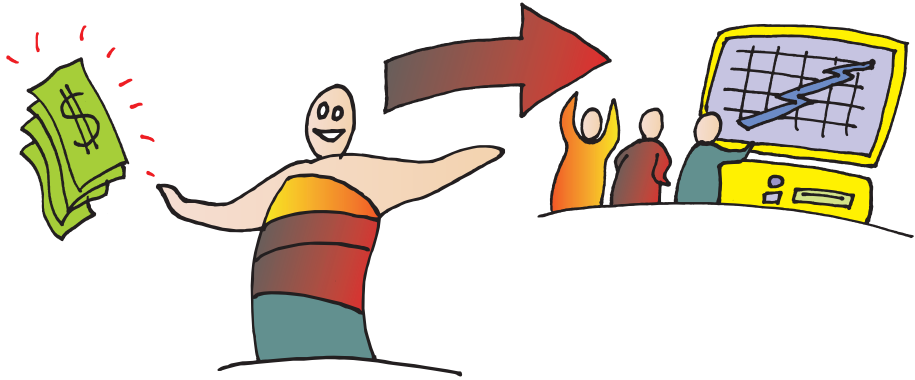
You should point out that it is better to discover at this stage that an idea is unfeasible rather than invest time and money in producing something that is not going to sell.

Assignment: Filling information gaps in the market analysis

Given the wide range of information to be collected, you need to encourage participants to:

- continue working on market analysis after this training session and, in the case of lack of time, give priority to information regarding clients, competition and budgeting;
- if possible, discuss the specific components of the market research with business and technical experts.

Session 4 – Resources



Learning objectives:

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

- identify the resources needed to operate a business;
- prepare a start-up cost analysis and income statement.

Delivery time:

120 minutes

Questions and exercises:

- 1 Managing human resources.
- 2 Start-up costs and income statements.

Assignment:

- Finalizing the business start-up costs and income statement.

Introduction

Market research gives a fairly good idea of the resources – inputs such as material, equipment, labour and cash – that a business requires for its operations.

One of the first decisions that needs to be taken revolves around the tasks the young entrepreneur can do on his/her own and those that require external support.

In other words, it is necessary to identify the most important tasks – for example, purchasing of material, keeping track of sales, distribution – and to match them to the competencies of the owner of the business.

Recruiting human resources

You should encourage participants to recognize that business tasks are many and that it is not always possible to do everything alone. When external support is needed, it is important to evaluate whether this warrants the recruitment of employees (full-time or part-time) or whether it is possible to subcontract this support. The criteria to be used when deciding whether to recruit employees are:

- 1 the recurrence (frequency) of the tasks;
- 2 labour law requirements; and
- 3 salary costs.

Activity

An example of a group activity that can help participants match business task with their own competencies is appended in the toolkit (*Matching business tasks to competencies*)

Once the groups have identified all the tasks the business requires for its operation, each member will rank his/her own ability to perform such tasks. Each team will have to decide:

- 1 what function(s) each member is more competent in;
- 2 how much s/he should be paid; and
- 3 what should be done to cover the tasks that nobody in the team can do.

Prior to this activity, you should collect basic information on labour law to be distributed to participants during the exercise. Alternatively, you can indicate the most appropriate local information source (e.g. employers' organizations, employment service, trade unions) where this information can be obtained.

Remind participants that there are labour standards to be complied with. In this respect, you can either distribute material available locally on workers' rights, or refer to the international standards set out in Box 4.1.

RIGHTS AT WORK

Box 4.1



The International Labour Organization is the United Nations specialized agency that promotes social justice and internationally recognized human and labour rights.

Founded in 1919, the ILO formulates international labour standards in the form of Conventions and Recommendations setting minimum standards of basic labour rights: freedom of association, the right to organize, collective bargaining, abolition of forced labour, equality of opportunity and treatment, and other standards regulating conditions across the entire spectrum of work-related issues.

Minimum working age and prohibition of child labour:

The minimum age for admission to employment shall not be less than the age of completion of compulsory schooling. There are specific provisions for the immediate elimination of the worst forms of child labour (e.g. slavery, prostitution, trafficking). Such prohibition applies to all children under the age of 18.

Equality and non-discrimination standards:

Prohibit discrimination in access to employment, training and other conditions of employment on grounds of race, colour, sex, religion, political opinion, national extraction or social origin. The objective is to promote equality of opportunity and treatment, and equal pay and benefits for work of equal value.

Forced labour:

These standards prohibit the use of any form of forced or compulsory labour as a means of political coercion, or education, punishment for the expression of political views, labour discipline, punishment for participation in strikes and discrimination.

Right to organize and bargain collectively:

These standards envisage the right of all workers and employers to form and enjoy organizations of their own choosing, protect against anti-union discrimination and promote collective bargaining.

Occupational health and safety:

Every business has legal responsibilities to ensure the health and safety of employees and other people, and to protect the environment. These duties include ensuring that the workplace meets minimum standards of comfort and cleanliness and reporting serious injuries, diseases or dangerous accidents to the relevant authority (labour inspection and health authorities).

Source: www.ilo.org/standards/index.htm

Start-up costs

Many young entrepreneurs put little effort into financial planning in the belief that it will not be difficult to raise additional funds if the business is doing well or if the idea is sound. However, most new businesses require more money than originally planned.

The first step in financial planning is to determine the start-up costs. These are one-off expenditures for starting the business (e.g. equipment, furniture, supplies, renovations, licenses, and other administrative and legal fees). Expenses incurred after the opening of the business are known as operating costs.

The business form chosen for the enterprise may affect start-up costs and operating expenses. For instance, a poorly selected business structure can result in unnecessary exposure to debt, operational hardship or unnecessary taxes during operations.

Activity

You should summarize the key factors to be considered when selecting the business structure. These are:

- the number of people participating in the business;
- the role of each partner in the business and the possibility to withdraw from the venture;
- the financial resources required.

To help participants understand the characteristics of different forms of business, you may provide examples available from your country or rely on the example provided in Box 4.2. This information is usually given by chambers of commerce, the Ministry of Trade or by business development agencies.

Remind participants that to become the legal owner of a business, they need to have reached majority age (i.e. have the capacity to contract). Normally the capacity to contract is reached at 18 years of age, but in some countries majority age is reached earlier and in others later.

BUSINESS STRUCTURE

Box 4.2

Sole Proprietorship

A single individual fully owns the business. The main advantage is that all profits of the business belong to the owner. The disadvantage is that the owner is personally responsible for all debts and obligations.

Partnership

Two or more partners share the ownership of the business. The main advantage is that expenses and income are shared according to the partnership agreement. The disadvantage of a partnership is that each owner is personally responsible for all the debts and liabilities of the business.

Limited Liability Company

Two or more members participate in the company on the basis of the number of shares they have. This form of company has the advantage of protecting its members from personal liability for company debts exceeding the amount of their shares. The main disadvantage relates to the strict legal requirement on these types of enterprises.

Cooperative

A number of persons join forces to carry on an economic activity of mutual benefit. It is a legal entity controlled by its members. Membership is open, meaning that anyone who satisfies certain conditions may join. The main advantage is that economic benefits are distributed proportionally according to each member's interests. Also, in certain countries, cooperatives are granted incentives, including lower registration fees.

Income statement

Once the production process has been fully grasped, the next step is to understand budgeting – i.e. calculating all the costs that will be involved in carrying out the business activities and projecting the income the business will generate.

Activity

The forecasts used by local business support agencies, chambers of commerce, banks or micro-credit institutions can be adapted for training purposes and used for running the activity on income statements. Alternatively, you may refer to one of the activities provided in the toolkit (*Start-up and income statements* or *New Year charity ball*).

A suitable tool to familiarize young people with budgeting should, at the very least, require them to gather information on:

- licences, registration and permits;
- building and renovations;
- fixtures and equipment;
- professional fees and insurance;
- operating expenditures (e.g. rent, utilities, wages, supplies, depreciation, overheads);
- opening inventory;
- taxes.

You also need to verify whether the above-mentioned information can be easily retrieved from local offices or resource centres, or other types of enquiries.

Participants need to be warned of the danger of operating in the informal economy (e.g. avoiding taxes and registration fees, employing people without a contract or social security). Box 4.3 defines the informal economy and its long-term disadvantages.

THE INFORMAL ECONOMY**Box 4.3**

The informal economy comprises all economic activities by workers and economic units that – in law or in practice – are not or are insufficiently covered by formal arrangements.

The informal economy may indeed provide income-earning opportunities for those who would otherwise be without means of livelihood, but the disadvantages for enterprises, workers and the community are high. Drawbacks comprise:

- non-conformity with laws and regulations;
- non-contribution to government revenues due to tax evasion;
- unfair competition with formal enterprises by avoiding business costs linked to registration and regulation;
- low productivity, e.g. the contribution to employment is higher than the contribution to the country's national product.

For workers, being “informal” means:

- not being protected in terms of labour legislation and social protection;
- often being unable to enjoy, exercise or defend their rights at work;
- working in small or undefined workplaces, under unsafe and unhealthy working conditions, with low levels of skills and productivity, low and irregular levels of income, lack of access to training and to technology;
- facing barriers to organizing and effective representation vis-à-vis employers and public authorities;
- being excluded from, or having limited access to public infrastructure and benefits.

Assignment

At the end of this session, you can introduce the idea of “business planning”. You should ask participants to complete and revise, with the help of their network resources, their work on business start-up costs and income statement that has been done in this lesson.

Since most of the workshop activities are instrumental to the design of a business plan, participants should keep track of the process so as to be able to replicate it independently.

Session 5 – Financing



Learning objectives:

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

- identify funding sources;
- negotiate and manage resources.

Delivery time:

120 minutes

Questions and exercises:

- 1 Brainstorming on sources of funding.
- 2 Negotiating and managing deals and resources.

Assignment:

None

Introduction

As soon as young people learn about start-up cost and income statements, they will inevitably think about means and sources of funding.

Sources of funding

Financial means can come from several sources – bank loans, personal savings, commercial credit and so on – but not all of these means are easily accessible to young people, who normally have no credit history and limited work and business experience. For many of them, the best source of funding may well be represented by personal savings or informal sources (loans from family and friends).

Activity

You could use the information on funding available in your country to develop a kit or, alternatively, you can adapt the list of sources of funding provided in Box 5.1.

Use this list as a brainstorming starter to help participants reflect on the “good” and “bad” features of each financial source.

SOURCES OF FINANCING

Box 5.1

Personal savings

Personal savings are the most common source for business start-up. Banks often recommend a personal investment since new businesses are less likely to get loans unless the owner is willing to invest his/her own resources. A personal investment in the business demonstrates the owner's commitment.

Selection of a business partner

It may be possible to negotiate agreements or partnerships with other people or businesses that can provide financial backing in the form of cash, capital, equipment and credit.

Informal financing

Family, friends and community organizations are examples of informal sources of financing. Community organizations can also help prepare financial statements and provide bookkeeping services, pro-bono legal assistance and networking.

Commercial and trade credit

Commercial or trade credit may be used to operate the business. This involves suppliers delivering goods and services before receiving payment. In a printing service, for example, it may be possible to negotiate with a paper supplier a 30-day payment term so that the new business can pay through its sales revenues.

Small business loans

The possibility of obtaining a small business loan can depend on a number of factors that are usually summarized in the "Five C's" of creditworthiness (character, cash flow, collateral, capital and conditions). Start-ups are less likely to get such loans than established businesses, as the latter are less "risky". On the other hand, there are banks and micro-credit institutions that lend money exclusively to newly established businesses, often taking advantages of guarantee systems that promote small business development.

Business incubators

Business incubators provide start-up companies with free-of-charge business and management assistance, space and other support services. They are usually managed by economic development agencies or local governments and are established for the promotion of enterprises operating in specific sub-sectors.

Negotiating resources

Most young people require help to manage the multiple tasks of a new business. There are several specialized institutions (e.g. business advisory services, bank and credit unions, accounting associations, employers' organizations) that provide support to new entrepreneurs. For example, it may be a good idea to become a member of an employers' organization to stay on top of industrial developments and have access to its services.

Negotiating resources – money, clients, staff and information – is an important aspect of business. Negotiation is a legitimate way in which two parties can reach a mutually satisfactory agreement on a fair basis. Negotiation skills, like any other skill, can be learnt, while proficiency only comes with practice.

Activity

To help participants practise negotiation skills, you can select one of the two group exercises available in the toolkit. *Negotiating a business deal* is a sales-oriented activity, while the *Triangles* exercise focuses more on teamwork and negotiation strategies.

A discussion after these exercises can provide an opportunity to help participants identify successful negotiation strategies, as well as ways of improving their skills and means of dealing with unethical practices.

Managing resources

Activity

Managing resources includes the planning and organizing of income and expenditures. This is a complex set of tasks, especially for young people who may have limited experience in dealing with money.

There are several training tools for practising the management of resources. The learning outcomes of the *Breaking even* activity included in the toolkit go beyond the management of expenditure and build on more complex enterprising skills such as goal setting, risk-taking, teamworking, problem-solving and decision-making.

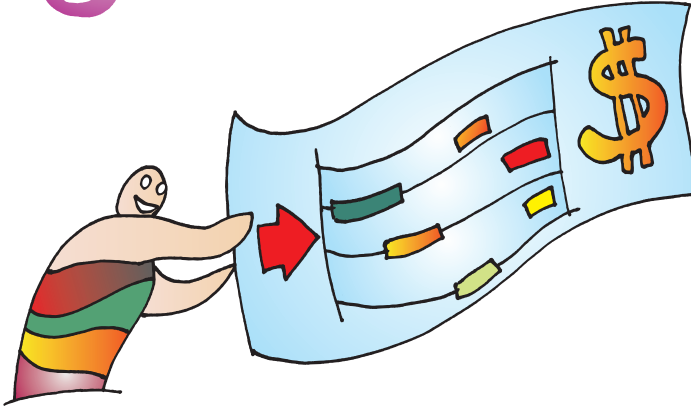
The activity consists of assigning a fixed yearly income to each group that will play the role of a household. This income has to be used to achieve the household's goals as well as meeting its daily needs. The groups will have to select a life card and a tax card to manage unforeseen events. Each group starts with a bank balance of 1,500 units of currency and cannot overrun this balance. Households can apply for short-term loans against the payment of interests and administrative fees. The activity also requires:

- the preparation of life cards, tax cards and units of currency as well as flip charts with examples of household goals;
- the selection of the participants who will play the roles of paymaster, tax administrator and credit officer;
- the establishment of a maximum of three groups;
- the supply of calculators, white paper, pens and pencils.

This exercise has two main drawbacks: first, it takes up most of the session time and second, it requires you to sort out the mistakes participants are likely to make, with poor choice being one of the most recurrent. You should encourage participants to use the break at the end of the session to think about what they could have done differently.

To get a better idea of the time required for the exercise and minimize difficulties, you should practise the activity yourself, before running it with participants of the workshop.

Session 6 – Business planning



Learning objectives:

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

- prepare a business plan.

Delivery time:

120 minutes

Questions and exercises:

- 1 Developing a marketing plan.
- 2 Developing a financial plan.

Assignment:

None

Introduction

The business plan is a document that formulates i) the goal and objectives of a business, and ii) the investment proposal to be submitted to financial institutions and investors.

Business planning

The business plan is an operational tool for planning how human, technical and financial resources can be used in a business to the greatest advantage. Usually, this document is prepared after taking the decision to go into business and before founding the enterprise.

You need to point out to participants that some components of the business plan were already discussed during previous activities. The remaining task is the organization of the information in a logical and structured manner.

It is suggested that the session be divided into two parts: the first part will serve to reorganize prior work, while the second will be used to design the marketing and financial plan.

Activity

To get an idea of how to prepare a business plan, you could collect the models that are usually prepared by local business development agencies or lending institutions. Alternatively, you can use the template provided in the toolkit that lists the headings and content of a standard business plan (see toolkit 6). The same groups that gathered and analysed the information on business ideas in Session 2 should be formed again to draft the business plan.

Marketing

Marketing is often equated with selling strategies (how to sell a product when it has already been developed). On the contrary, the development of a marketing strategy starts with finding out what potential clients want and ensuring that the goods are produced (or the service delivered) in a way that satisfies the clients' needs.

The most important features of marketing are summarized in the concept of the marketing mix known as the four Ps (Product, Price, Place and Promotion).

The participants should be made aware that it is not possible to finalize the business plan if the following questions remain unanswered:

- What is the product or service and what clients' needs does it satisfy?
- How much are the potential customers willing to pay?
- What other factors should be considered in setting the price? (Remind participants that they must also calculate the profit that the business will generate).
- Which is the best "place" for the business to be established and which is the best promotion method to reach clients? (Remind participants that place also involves access to communication networks, suppliers and other services).

Activity

To help participants practise the basic concept of marketing, you can design your own group activity modelled on the one available in the toolkit (*Marketing*). This activity consists of the planning, budgeting and marketing of a public event. Once the group work has been concluded, you should discuss with all the participants which promotional activities are likely to be more successful, and how the degree of customer satisfaction can be measured.

Financial plan

A significant part of the business plan is dedicated to finance. The financial section of the business plan describes i) the capital that will be required to start up the business, ii) how the business will be financed in the future, and iii) the projected performance of the business.

Activity

The subjects relating to costing, pricing and income statements have already been discussed in previous sessions. To complete the financial plan, participants need to i) calculate the volume of sales required to cover the costs (break-even point), ii) determine the flow of financial resources needed by the enterprise to start and run the business (cash flow), and iii) prepare a balance sheet. Because of their complexity, these activities are usually done with the help of experts. It is important to highlight that young participants need to understand these concepts although they are not required to prepare everything by themselves. For this purpose, you may ask a local businessperson or a bank officer to participate in this session. These experts can provide participants with templates, examples and tips.

To help participants complete the financial part of their business plan you may also use the template *Developing a financial plan* (activity 3 of the toolbox).

If you are able to secure the presence of external experts, you may consider lengthening the duration of this session to allow participants to discuss their draft business plans with them.

Concluding remarks

At the end of the workshop, you should give participants some time to organize the information generated during the workshop and to finalize their business plan.

If good business ideas were developed during the workshop, encourage participants to prepare a business plan for each of these ideas. These plans may be presented to experts of financial institutions for comments, feedback and possible funding.

A good end-of-workshop activity could be the organization of a practice period for participants in a local enterprise. This would provide them with the opportunity to observe experienced entrepreneurs in their day-to-day work and to apply what they have learned during the workshop.

TOOLKIT



Toolkit **1** – Entrepreneurial skills

Activity 1

Icebreaker – Dispelling business start-up myths

- 1 Think about all the factors that keep young potential entrepreneurs away from setting up their own business. Write down the two factors you consider most important.
- 2 Brainstorm with your fellow participants and organize all responses into categories (for example “money”, “time”, “family”, etc.)

You have 15 minutes to complete these tasks.

Activity 2

Wordy words

With a partner, think about the terms self-employment, entrepreneur and enterprises, then:

- 1 List two well-known enterprises in your community and briefly describe their activities in one sentence.
- 2 Name at least three self-employment activities and what they do.
- 3 Name three famous businesspersons and shortly describe their activities.

You have 10 minutes to complete this activity.

Activity 3(a)

- Let's score them**
- A. Using the scoring system, review your skills in the column "Self".
- B. Ask another person who knows you well to also rate your skills in the second column. You may want to reflect on the score others have given you.

- 1 This is one of my strengths; 2 This is an area which I could develop further;
 3 This is one of my weak points. It is an area I need to work on to do better;
 4 Not sure – need to find out more.

I HAVE THE FOLLOWING SKILLS	Self	Other person	Comment
1. Seeking and grasping opportunities			
2. Taking initiatives			
3. Being creative			
4. Learning from mistakes			
5. Planning effectively			
6. Taking responsibility			
7. Networking effectively			
8. Using critical judgment to take risks			
9. Resolving conflict			
10. Self-confidence and self-belief			
11. Ability to evaluate own performance			
12. Perseverance			
13. Negotiation skills			
14. Being flexible			
15. Matching abilities to tasks			
16. Ability to seek advice			

Activity 3 (b)

Are you enterprise-ready?

1 Answer the following questions with Y (yes), N (no), U (unsure).

1. Do you like making your own decisions?	
2. Do you like competition?	
3. Do you have self-discipline?	
4. Do you plan ahead and get things done on time?	
5. Can you take advice from others?	
6. Are you adaptable?	
7. Are you ready to work long hours, during weekends and while on holiday?	
8. Do you have a lot of physical and emotional energy?	
9. Do you know which skills and areas of expertise are critical to the success of your project? Do you have these skills?	
10. Are your skills and abilities useful to make your idea operational?	
11. Do you know how to find others that have the expertise you lack?	
12. Does your project meet your career goals?	

- 2 Ask a friend or family member to check your answers to see whether they see you in the same light as you see yourself.
- 3 Look closely at the “no” answers and think about how you can change them into a “yes”.

Activity 3 (c)

Self-assessment questionnaire

This self-assessment questionnaire is more suitable for young people who are working or have already had some work experience, while the previous two are better suited to students.

PLEASE PROVIDE ONLY ONE ANSWER FOR EACH QUESTION

PART A

1. If I had to work a 50 hours a week I would

- | | |
|----------|-------------------------------------|
| A | Grumble and complain |
| B | Do it, if I had to |
| C | Tell people it was a light week |
| D | Get sick from stress and exhaustion |
| E | Do not know |

2. What would you be willing to do to start a business?

- | | |
|----------|---------------------------|
| A | Take a pay cut |
| B | Take a financial risk |
| C | Mortgage the family house |
| D | All of the above |
| E | Do not know |

3. If you called two hundred potential customers and were rejected every time what would you do?

- | | |
|----------|---|
| A | Call another two hundred |
| B | Try to get customers using a different method |
| C | Buy a cell phone |
| D | Ask somebody else to make the telephone calls |
| E | Do not know |

4. If you noticed something that could make things more efficient in your job, would you

- A** Tell your friends how brilliant you are
- B** Tell your direct supervisor about your ideas
- C** Go ahead and make the changes yourself
- D** Take a break till the idea goes away
- E** Do not know

5. How would people describe you?

- A** Optimistic and enthusiastic
- B** Careful and reserved
- C** Chatty and pleasant
- D** Relaxed and a follower
- E** Do not know

6. Before giving you a loan the bank asks you to write a business plan. You...

- A** Go to another bank
- B** Ask your family for the money you need
- C** Go and research the competition and market potential
- D** Mortgage your family house
- E** Do not know

ENTREPRENEURIAL SKILLS

7. You have just had a good idea for a business – what do you do first?

- A** Put a sign on your door
- B** Start advertising the product
- C** Go and research the market potential
- D** Ask a bank for a loan
- E** Do not know

8. How would you describe your work habits?

- A** I work from 9 to 5, Monday to Friday, and have the week-end off
- B** Relaxed
- C** Hectic
- D** I work on something till it is finished
- E** Do not know

9. Late on a Friday you receive a big order from a customer to be filled by Monday morning. You know it will take some time to prepare it. What do you do?

- A** Explain that you cannot do it
- B** Call your assistant and delegate the job
- C** Work overtime and finish the order by Monday
- D** Pass the request on to your boss
- E** Do not know

PART B

1. I understand myself and know what I can do Yes No
2. When I believe in something, I can convince others of its merits Yes No
3. Although I take other people's opinion into account, I make the final decision myself Yes No
4. I enjoy giving my all to everything I do: successfully completing a job gives me satisfaction Yes No
5. I feel comfortable in managing other people, including telling them what to do Yes No
6. I am afraid of hard work and long hours and I prefer to do one thing at a time Yes No
7. I find unexpected situations stimulating, especially when I know what I am doing Yes No
8. I believe that work strengthens my abilities Yes No
9. For me money is a good measure of success Yes No
10. I find it hard to do nothing or sit still. The responsibility of getting things done gives me energy Yes No
11. I am able to make long-term plans to accomplish my goals and get where I want to go Yes No
12. I never think of ways of doing things differently Yes No

ENTREPRENEURIAL SKILLS

SCORING SYSTEM

PART A

	A	B	C	D	E
1	2	3	4	1	0
2	1	2	3	4	0
3	3	4	2	1	0
4	1	3	4	2	0
5	4	1	3	2	0
6	2	3	4	1	0
7	1	3	4	2	0
8	2	1	3	4	0
9	1	2	4	3	0

Total 36-28: You have an entrepreneurial spirit. You are independent and ready to accept responsibilities. You have good business sense and you want to succeed.

Total 27-20: You are interested in being an entrepreneur. However, you have a moderate business sense. You are still hesitant and you need time to make a decision.

Total 19-10: You prefer a firm structure to work well and be efficient. Your entrepreneurial spirit is low.

PART B

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

If your answer was **YES**:

- **between 7 and 9 times:** you have an entrepreneurial spirit
- **between 6 and 4 times:** you have only a moderate interest in entrepreneurship
- **four times or less:** you have very little interest in entrepreneurship

Toolkit **2** – Business ideas and opportunities

Activity 1 (a)

Generating ideas

Task 1

With a partner, you have 15 minutes to:

- A. Think of at least 10 ways to:
 - advertise the sale of a car;
 - save energy;
 - raise money for a humanitarian cause.
- B. List five businesses that:
 - would require you to use your feet;
 - would require you to travel;
 - would involve the use of glue;
 - would have existed fifty years ago, but no longer exist today.
- C. Circle all the headings in the daily newspapers that may represent business opportunities (look in the economy, culture, letters to the editor and municipal news sections).

Task 2

Join the pair next to you and in 10 minutes select the best two answers each for A, B and C. Join another team and in 5 minutes repeat the process until there are only two larger groups left.

Task 3

In plenary, these two larger groups will:

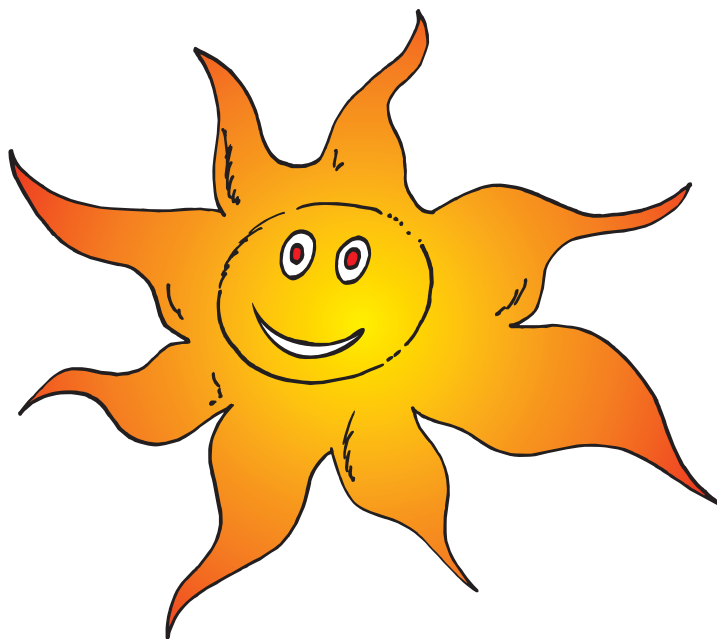
- ① present their answers, and
- ② select the “best five” ideas that were generated during the exercise.

Activity 1 (b)

Shining sun

Task 1 Individual work

Write a noun or an activity on the face of the sun, e.g. “garden” or “playing soccer”. On each of its eight rays write an activity related to the word chosen (for “garden” for example it could be cutting grass, for “playing soccer” it could be marking the playing field, and so on).



Task 2 Group work

Join two of your partners. Compare your “suns” and select the best eight ideas for developing a small business. Join another group, again select the best eight ideas, and when only two groups are left, each with its own eight best ideas, write short sentences describing:

- type of business or line of work;
- potential buyers (i.e. do you have information indicating that people will want to buy the products offered?);
- competition (i.e. is anybody else already selling the products and, if so, why should people buy from you instead?);
- resources needed (i.e. what do you think is needed to produce the goods and how will customers become aware of the new enterprise?).

Task 3 Plenary work

In plenary, discuss and select the best five business ideas.

Activity 1 (c)

Society game

Preparation

A sports shop has launched a prize competition for the best new society game to be played indoors/outdoors. To win the prize, the game has to appeal to both women and men, to people of different ages, and it has to be suitable for playing in existing sports facilities (e.g. school gyms, sports halls). In two groups, you are required to carry out the three tasks described below.

Task 1 Research and development

Before producing goods or services it is essential to research:

- the characteristics of the target group;
- the products they want.

Investigate also a range of options to decide on the new game to be proposed:

- consider variations of existing games;
- ask elderly family members or adults you know which games they used to play when they were young;
- try to find information on games that were played in the past.

On the basis of this research, you will need to prepare a written proposal (1 page long) about the game, summarizing:

- the name of the game and the equipment needed to play it;
- the playing area and its markings;
- the number of players and their positions;
- how to play and score the game;
- the rules of the game;
- any safety wear/equipment required.

Task 2 Marketing plan and pricing strategy

Once the product has been identified, you will need to develop a marketing plan to promote it. Marketing means that you have to decide which type of promotion strategy you want to use, how and where the product will be sold and at what price. Pricing involves calculating the cost of producing and selling the game, plus a profit.

Task 3 Selecting the best game

In plenary, each group will explain the features of the game. Through a majority vote, the best game will be declared the winner.

Activity 2

Task 1 Finding and researching information

In small groups of 3 or 4 participants you will be assigned a “case” among the ones listed below. Your task is to identify with your partners what your “case” requires and to list names, addresses, telephone numbers, etc. of relevant contacts and support agencies. You have telephone directories and listings of public and private services at your disposal. You have 20 minutes to conduct your research. Remember that you will be asked to report back to the plenary.

Cases

- Rose is 16 years old and has just moved with her family to a new town. She is a good basketball player and was disappointed to be leaving her basketball club. She wants to find a new team and is also interested in trying other sports. Whom can Rose turn to for help?
- Marian is 60 years old. She has had an accident and has broken her leg. She is having problems in managing her household duties because all her relatives live abroad. Whom can she turn to for help and what type of support would she be able to receive?
- John is 19, he is working but he does not like his job. He wants to change but he is unsure as to what kind of job would be most suitable for him. Give him some advice.
- Mary is a single mother with one son, Benny. Benny is now in class 4 and he is having problems with maths. Mary cannot help him because she works all day and she does not like maths. She wants to give Benny some extra assistance. Who can provide this and what would it cost?
- Martha wants to give her parents a nice present for their 20th wedding anniversary. She wants to pay for a trip for them, but she is not sure about the place they should go to, for how long and how much it would cost. Give her some suggestions.

BUSINESS IDEAS AND OPPORTUNITIES

Task 2 Network inventory

Individually, complete the template provided below. In the first column, write the name and surname of a person you know who fits the description. In the “rating” section, write 1 if you know the person well, 2 if you know the person but s/he does not know you so well, or 3 if you do not know the person well and the person does not know you.

NAME	DESCRIPTION	RATING
	A local businessperson	
	A person highly respected in your neighbourhood	
	A person who can offer you part-time employment	
	A person who is very popular or famous	
	A former teacher	
	A person who can provide good advice on many things	
	A person, not related to you, who will always defend you	
	A person who might pay you to do odd jobs	
	A relative (or a very close friend)	

Look at the results and list ways of increasing the number of useful contacts in your network.

Alternative

List all the people you know or are acquainted with, indicating who they are and what they do, the type of information they have, how they could help, etc. Then reorganize the list according to broad categories, for example “Job search”, “Enterprise set-up”, “Technical expertise”, “Education”, etc.

Toolkit **3** – Market analysis

Activity 1 (a)

Researching the market

- 1 Based on the business ideas previously identified, your team is asked to collect and organize the information listed in the template given below. You have a series of research tools such as business directories, addresses and telephone numbers of chambers of commerce, consumers' associations, and also your network.
- 2 Brainstorm on the information you already have on:
 - products to be sold;
 - potential clients;
 - equipment and supplies needed for start-up;
 - human resources and competencies required to operate the business;
 - reasons for buying the product;
 - location needed (in terms of neighbourhood, communication routes, other services, etc.);
 - suppliers and main competitors.
- 3 Plan the gathering process for missing information: design the task that each member of the team is responsible for, select the most effective method for gathering the information, where to get it and when it is to be done;
- 4 Organize the results in a written document based on the template provided. This will be presented in plenary session.

MARKET ANALYSIS

Demographic information

Clients by age, sex, geographical location and income.

Trends

- Size of the market and how it is likely to change in future;
- Percentage of the market to be served;
- Opportunities and threats within the market;
- Factors influencing the market (e.g. technology, design).

Location

Describe how the location of the business will guarantee its success.

Marketing and Promotional Strategies

- What resources will be dedicated to marketing and advertising?
- What are the goals of the marketing and promotional campaign?

Suppliers and Distribution

Who will supply you with equipment and material for the business and how distribution will be organized.

Competition

- Identify competitors and what their customers say about their products and services;
- Assess the percentage of the market served by competitors;
- Identify trends and factors affecting the market share.

Competitive Advantage

Describe the distinctive characteristics of the products/services (e.g. price, quality, location, delivery) that distinguish them from those of the competition.

Budget

- How will you pay for the equipment/materials you need?
- What is the amount of recurring costs (rent, telephone, electricity)?
- Do you have access to any funds or will you need to find the money elsewhere?
- How much do you expect to gain from the business?

NB: You may discover that the idea does not have a market (it would cost too much, nobody would be interested, etc.), or that you need to change the goods to be sold. Market analysis is a tool you can use to discover whether a business idea will work or not before investing time and money in it. As you proceed with “business planning” you will realize that you will need to go back time and again to your original idea.

Activity 1 (b)

Producing perfumed candles

The aim of your company is to produce and sell perfumed candles.

Task 1 Researching and organizing information

In a team of 4 or 5 people you will have to research all possible methods of making perfumed candles without using chemicals and complex machinery. Once you have understood the process, you will need to obtain the equipment and materials and to find out how to combine the ingredients to make a sellable product. Keep tabs of the costs.

Task 2 Planning and organizing activities

You will have to organize the whole production process: purchase of equipment and material needed, deciding where you will carry out production, packaging and labelling the final product, etc. You will also need to identify your clients and how much they will be prepared to pay for your product. To get a feel of what a reasonable price could be, take a look at the prices of perfumed candles in supermarkets.

Task 3 Cost and pricing

Once you have all the production inputs and their costs, you need to decide where you will find the money, how much time you will spend on producing one candle, your profit and, finally, set a price for the final product. Remember that you have competitors. You will have to differentiate your product to attract customers. Use the template below to prepare your budget.

INCOME	BUDGETED AMOUNT
Funding	
Sponsorship	
Income from sale	
Total income	

EXPENDITURES	BUDGETED AMOUNT
Materials	
Rent	
Advertising	
Production costs	
Total expenditures	

Task 4 Selling the product

Now it is time to sell your product. Think about possible ways to advertise it (leaflets, telling friends and family so that the news reaches a wider audience, newspaper advertising) and ways to distribute the final product (e.g. selling points, home delivery).

Facilitator's note

This exercise is to be used if the group is experiencing problems in coming up with a business idea. It helps participants walk the road of business from planning to producing and selling. You need to verify that information on the production process for perfumed candles can be found easily by participants. If such information is not easily available, you can refer to the list below that will give you an idea of what is required to produce perfumed candles.

- A pot with a beak to melt and pour the beeswax into the moulds;
- A thermometer (wax is inflammable when overheated – maximum temperature is 150 degrees C);
- A small burner;
- Metal or hard plastic moulds of various sizes (alternatively you can use coloured glasses or cups);
- A spatula to remove excess wax, and wicks (pieces of thread);
- Colours and perfumed oils;
- Clean (refined) beeswax (if this is difficult to find, you can use the wax of ordinary white candles, shredded);
- Packaging and labelling materials.

The melted wax is mixed with colour and perfume, and poured into moulds with a wick at the centre. Once the wax has set, the candle is ready to be labelled and packaged.

Toolkit **4** – Resources

Activity 1

Matching business tasks to competencies

- 1 In your group, discuss and write down in the left-hand column of the table below all the activities to be carried out for your business. In the central column write down whether the task has to be carried out often, from time to time or seldom.
- 2 In the right-hand column each member of the team will rank his/her own ability to carry out the task envisaged according to the following scale:
 - A. I can do this task very well
 - B. I can do this task, but not so well
 - C. I cannot do this task

BUSINESS TASK	TIMEFRAME	INDIVIDUAL RANKING
1.		
2.		
3.		
4.		
5.		

- 3 Jointly decide which task/s each member is more competent in and set a salary for the members who will be working in the business.
- 4 Decide what should be done for those tasks no team member is able to do. Will you have to recruit someone to do them? How much would it cost?

Activity 2a

Start-up costs and income statement

- In your group, find out and calculate all the costs involved in starting up the business using the template below. This template gives a description of each item and suggests where to find the necessary information.

START-UP AMOUNT	DESCRIPTION	AMOUNT
1 Licenses, permits and registration	Check with municipal and state offices what the fees are to register a business, and to get a trading license and business permits.	
2 Deposits <ul style="list-style-type: none"> Rent Utilities 	<ul style="list-style-type: none"> Amount to be paid before opening the business (lease contract) Check average costs with the utility companies (water, electricity, phone, etc.). 	
3 Building, renovations	Ask a local construction company how much it would cost to renovate or build the business premises.	
4 Fixtures and equipment	<ul style="list-style-type: none"> Check in local shops how much fixtures cost. For production equipment and materials, check with local suppliers. 	
5 Professional fees	Include accounting, legal and construction engineer fees. Ask for an estimate for services.	
6 Insurance	Ask for estimates from insurance companies.	
7 Vehicles	Check prices of new and used cars (do not forget to include in the income statement the cost for fuel, insurance and maintenance).	
8 Opening costs <ul style="list-style-type: none"> Advertising Wages Supplies Miscellaneous 	<ul style="list-style-type: none"> Promotional activities for opening the business (ads, leaflets, etc.). Salaries as established in the employment contracts. If you have no idea of the wage to apply, ask the facilitator. For the office, cleaning products, etc. Include an amount for unexpected expenses. 	
9 Opening inventory	Equipment and consumables needed to open the business.	

FEASIBILITY: RESOURCES

- 2 Prepare an income statement for the first year of operation (actual business revenues and expenses – the difference being net profit or loss).

INCOME STATEMENT	DESCRIPTION	AMOUNT
1 Total sales	Amount of revenue generated by the business. The amount recorded here is the total sales, minus any product returns or discounts given.	
2 Cost of goods <ul style="list-style-type: none"> • Gross profit 	Costs directly associated with making products. Costs include materials purchased from suppliers, as well as any internal expenses incurred in the manufacturing process or provision of the service. <ul style="list-style-type: none"> • Gross profit is derived by subtracting the cost of goods sold from the revenues of the sales. It does not include any operating expenses or income taxes (1 minus 2). 	
3 Operating expenses <ul style="list-style-type: none"> • Wages • Promotional expenses • Advertising expenses • Other costs • Rent • Utilities • Depreciation • Overhead costs 	Daily expenses incurred by the business <ul style="list-style-type: none"> • Salaries paid to staff. • Promotional expenses include product samples and freebies used to promote the product. • All costs involved in creating and placing printed or multi-media advertisements. • Other costs associated with selling the product. They may include travel, equipment rental, and miscellaneous printing costs. • Fees incurred to rent or lease office and workshop space. • Costs for electricity, phone, water, etc. • Annual amount that takes into account the loss in value of the equipment used in the business. • Expenses that do not fall into any other category. These types of expenses may include insurance, office supplies, or cleaning services. 	

INCOME STATEMENT	DESCRIPTION	AMOUNT
4 Total expenses	The sum of all expenses, except taxes.	
5 Net income (before taxes)	Amount earned by the business prior to paying taxes. It is arrived at by subtracting total operating expenses from gross profit.	
6 Taxes	Amount of taxes owed to the central or local government.	
7 Net income	The amount of money the business has earned after paying taxes (5 minus 6).	

Activity 2b

New Year's Charity Ball

- 1 Your team has been asked by the local Community Council to prepare a plan, inclusive of budget, for organizing the New Year's Charity Ball. In previous years, the Ball was attended by approximately 1,000 people and it was organized in the local sports centre. The Municipal Council wants to get enough revenue (which is tax-free) from this event to purchase an ambulance for the hospital.
- 2 Brainstorm on the type of activities you would like to organize – dancing, lottery, etc. Once this has been decided, research and calculate all costs involved (including rent, staff, food, drinks, equipment and materials). Also decide what price you will need to put on entrance tickets, food and drink to generate enough funds to pay off all costs and have enough money left over to purchase the ambulance (the price of which you will have to find out). Remember that all the costs envisaged have to be realistic, and that you can also negotiate with members of the community the donation of goods and services to reduce total costs.

BUDGET	DESCRIPTION	AMOUNT
1 Revenues	Amount of revenue generated by the sale of tickets.	
2 Expenses <ul style="list-style-type: none"> • Wages • Promotions • Advertising • Other costs • Rent • Utilities • Overhead costs 	Total expenses incurred for the organization of the ball. <ul style="list-style-type: none"> • Salaries paid to the persons working for the Ball (e.g. ticket sellers, waiters). You need to see if you can reduce this expenditure by convincing people to work as volunteers. • Gadgets used to promote the event. • Cost of printing advertising materials. • Other costs associated with the Ball (orchestra, food, drinks, copying or miscellaneous printing costs). • Fees incurred to rent or lease the ballroom. • Costs for heating, air conditioning, electricity, phone and water use, if not included in the rent. • These may include insurance, office supplies, cleaning, etc. 	
3 Gross income (before taxes)	This figure represents the amount of income earned from the event prior to paying taxes. It is arrived at by subtracting the total operating expenses from gross profit (1 minus 2).	
4 Taxes	The amount of taxes owed to the central or local government (if the ball is tax-free the amount is zero).	
5 Net income	The amount of money the ball has actually earned (3 minus 4).	

- 3** Present your work to the plenary session and compare it with the work done by other teams. Can the best features of all plans be combined together to make up a “perfect event”?

Toolkit **5** – Financing

Activity 1

Brainstorming – Financing sources

By now you should have a fairly clear idea of how much money is needed to start up your business. You have 15 minutes to discuss in your group where you are going to find the money to start your activities. For each source identified, weigh the advantages and disadvantages and report to the plenary.

Activity 2(a)

Negotiating a business deal

You have to negotiate a deal with a partner, either as a buyer or seller. You have 10 minutes to negotiate and conclude the deal. Remember to write down its main conditions (price, delivery, etc.), and sign and date it.

Seller's instructions

You have just got a new job that envisages the use of a very nice car and you need to sell your old car. You are not sorry to let your old car go: it was not a very good one, had limited production, and no longer suited your needs.

You have had a roadworthiness test done which the car failed, so you don't expect to get a lot for it. Anything you get is a bonus and you are in a hurry to free the space in the garage.

Buyer's instructions

You are a car lover who reads all the car magazines. You have heard that a certain model is becoming a collector's item and you decide to buy one – possibly from somebody who does not yet know s/he has a vintage car. You have to act quickly because the more you wait, the more likely it is that the news will spread and prices will start to rise.

You are prepared to pay quite a lot, because production was limited and the cars may become quite valuable. Roadworthiness is not an issue as you plan to redo it. You will decide later if it would be useful to have the certificate.

Activity 2(b)

Triangles

In groups of 4 or 5 participants and under the monitoring of an observer to be selected within your group, you have to draw in pencil a 90-degree triangle measuring 15 cm in height and 10 cm at the base. The inside of the triangle is blue with a red outline. Label in pencil each angle as A, B and C.

To undertake this activity you need some white paper, a ruler, a red felt pen, a blue felt pen and a pencil. Since each group will be missing one of the items to be used, you need to appoint a negotiator who will be the only one who can trade the missing item with the other groups.

You have 15 minutes to complete this task.

Observers' briefing note

- How well did the team members share the tasks?
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.....
.....
- Did anyone dominate the group?
.....
.....
.....
- Did anyone lay back and not contribute? Why?
.....
.....
.....
- Did the group experience any problems? How did they solve them?
.....
.....
.....
- How well did the negotiator carry out his/her job? Did anyone help the negotiator?
.....
.....
.....
- How accurate is the final product?
.....
.....
.....
- How well did the group cooperate?
.....
.....
.....

Activity 3

Breaking even

- 1 This activity focuses on the management of the income and expenditures of a household. Your team will decide on the composition of the family. You will receive from the paymaster a fixed amount of money representing the yearly income of your household, expressed in units of currency. You will have to identify one major and two minor goals from the lists provided below. During the activity, your team will be asked to select life cards and task cards with a maximum of two from each type of card. These cards may have a positive or negative impact on your family's budget.

Major goals

- Build an extension to your house, (value 8,000 units of currency)
- Purchase a car or tractor (value 3,000 units of currency)
- Get savings from the bank (equal to 3,000-4,000 units of currency) to pay for children's schooling
- Refurbish your house (value 10,000 units of currency)

Minor goals

- Buy a TV set (300 units of currency)
- Pay for foreign language lessons for your children (200 units of currency per child)
- Purchase a new music system (500 units of currency)
- Reorganize the garden (400 units of currency)

Yearly expenses

EXPENSES	PER FAMILY	PER DEPENDANT
Rent	1,200	
Food		200
Car/fuel/travel expenses	700	
Utilities	300	
Clothing/shoes		100
Incidental expenses	300	

- 2 You start with a bank account balance of 1,500 units of currency. With the yearly income you cover the family's expenses (according to the table shown above), pay taxes and pay for life occurrences. You cannot allow your bank balance to go into the red, but there is a short-term credit system available, with interest rates and credit application fees.
- 3 At the end of the year you will have to see whether: i) you have achieved all your goals, ii) you have any outstanding debts with the bank or the tax administrators, and iii) you have any savings.

Paymaster instructions

As paymaster you will:

- 1 pay to each family their annual income in cash calculated according to the number of dependants;
- 2 check that each household inserts the correct amounts in their ledgers; and
- 3 cash in the amounts paid by the household for life cards and for major and minor goals.

Calculation of yearly income

No dependants	5,000 units of currency	2 dependants	5,700 units of currency
1 dependant	5,400 units of currency	3 dependants	6,000 units of currency

Family allowance for each school age child is 150 units of currency per year.

Life cards

- Summer camp for children (300 units of currency).
- Repair of household equipment (200 units of currency).
- Hairdresser (50 units of currency).
- Travel to visit aunt Martha who is sick (350 units of currency).
- Lottery prize (200 units of currency).
- Sale of grandfather's clock (300 units of currency).
- Loan to your brother (500 units of currency).

Tax administrator instructions As tax administrator you will have to make sure that all the families pick two tax cards. According to the statement on the cards, you will pay out or cash in the proper amounts.

Use your discretion in giving families some time to make their calculations.

Tax cards

REFUNDS	BILLS
950 units of currency	350 units of currency
490 units of currency	535 units of currency
700 units of currency	50 units of currency
250 units of currency	200 units of currency

Credit officer instructions

As credit officer you will:

- ① process credit applications,
- ② keep records of families owing money,
- ③ calculate totals to be paid with interests and fees,
- ④ make sure that loans are repaid on time.

Small loans system

LOANS	INTEREST RATE
500 units of currency	2%, 3 month repayment
1,000 units of currency	3,5%, 6 month repayment
1,500 units of currency	4,5%, 8 month repayment
2,000 units of currency	5%, 12 month repayment

Application and processing fee is 50 units of currency.

Toolkit **6** – Business planning

Activity 1

Business planning

This template provides a summary of the various parts of a business plan. Revise each part and gather the information you need. You already have all the elements to draft the plan from points 1 to 4 from previous exercises.

1 Cover page and executive summary

The cover page includes the name of the business, of the owners and contact information. The executive summary should clearly state the vision of the business and its structure. It should also identify the products and services, market opportunities and goals of the business for its first few years of operation. If the plan is a request for a loan, the executive summary should include the amount needed, the intended uses of the funds and how the business will be successful in carrying out the activities planned.

2 Business description

This section provides general information about the business and its competitive advantage. Competitive advantage refers to the characteristics of the products compared to the competition (e.g. service, delivery, and location).

The business description should include the name and nature of the business (manufacturing, services, etc.), a brief description of what the business does, price and distribution of the products/services and how the business process is structured.

3 Market analysis

This section should:

- precisely define the product;
- identify existing clients and their characteristics;
- measure the market potential;
- choose the best means to compete in the market (e.g. sales methods, communication and marketing methods, distribution networks).

For this purpose, a number of people can help and provide information. For example:

- retired people who used to work in similar businesses;
- local professionals;
- clients and suppliers of companies working in the same or a similar domain.

4 Management plan

This section describes the management structure of the business and should also indicate whether expertise will be recruited in the market (e.g. legal counselling, accountancy services). The personnel section describes the roles and responsibilities of the staff along with the various jobs for the day-to-day operation of the business. The operations section indicates how the goods and services are produced and distributed.

5 Marketing plan

.....
.....

6 Financial plan

.....
.....

Activity 2

Marketing

Task 1 Developing a marketing plan

In small groups, think about planning for your business idea or for a public event (it could be, for instance, a charity ball, a prize competition, a theatre performance). In your plan, consider the following points:

Product

- Product or service and consumer needs it meets.
- Define potential customers (remember that there are different clients with different needs).

Price

- How much are the potential clients willing to pay for your product or service?
- How do you know they are willing to pay that much? What are the prices applied by competitors?
- What other factors should be considered when setting the price?

Place

- What is the best place and best selling method to reach potential clients and to have the highest possible level of sales?
- Is there a need to have more than one place to serve the needs of potential clients?

Promotion

- Four methods of promotion can be used concurrently:
 - ① Advertising (brochures and catalogues);
 - ② Publicity (e.g. media releases, sponsorship, word of mouth, telling your friends to tell their friends and acquaintances);
 - ③ Personal selling;
 - ④ Sales promotions (buy one get one free, etc.).
- Which types and means of promotion are most appropriate for your business, given the product, place and potential customers?

Task 2

Once you have decided on all of the above and you have established a plan, you need to develop a budget to cost the items identified under Task 1. A review of the decisions already made may be necessary in order to ensure financial consistency in your plan.

Activity 3

Developing a financial plan

Task 1

In your team, review the market analysis of your business. You may want to update or change something on the basis of the experience you have gained. Remember to calculate **all** the expenditures involved (purchasing of equipment, production of materials, wages, rent, utilities, fees and taxes, advertising, etc.) and the earnings (sales).

The handout below illustrates the components of the financial plan. You may use it to prepare a calculation sheet for each item, as well as a summary table.

DESCRIPTION	
1 Personal financial statement	Total income, total expenses and total cash you need to run the business. A report illustrating your credit history is necessary in case you require a loan to start up or expand your business.
2 Income statement	Your best estimate (based on the market research) on how the business will perform over a period of time (revenues and expenditures). Remember that banks require 1 to 2 years of projected income statements to demonstrate how the business will become profitable overtime.
3 Break-even analysis	A break-even analysis looks at the relationship between sales and costs to determine how much you need to produce to reach the “break-even” point (the point at which expenses and income are equal). Once you have determined this point, you can calculate the sales volume required to generate a profit.
4 Capital equipment	Listing of all the equipment and material – and the costs – necessary for the business.
5 Projected cash flow	The cash flow shows when cash (inflow) is coming into the business and how and when money will be disbursed (outflow). The cash flow helps to forecast how much money will be required to start and operate the business.
6 Projected balance sheet	Total business assets and total liabilities plus equity at a particular point in time. Business assets include, for instance, cash, inventory, capital equipment. Liabilities are the funds the business owes (to other people such as investors, bankers, etc.). Equity is the capital supplied by investors and retained earnings.

Task 2

Once you have completed your summary balance sheet, analyse how much money you will need for the business during its first year of operation (do not forget to include your own wage in the calculation) and the various financing options available (e.g. personal, family, banks). Remember that if you need to take out a loan, this will have to be repaid with interest (the calculation of the interest needs to be included in the plan).

Annex 1 – Glossary of business terms

Some of the words used in self-employment and business start-up are difficult to understand. This glossary aims at facilitating understanding of the main business terms. It can also be transformed into an activity by asking participants to go through the list of words and definitions and tick those they are already familiar with as well as review the concepts they find for the first time.

<input type="checkbox"/> Advertising	Attempting to influence the purchasing behaviour of clients by providing a persuasive selling message about products and services.
<input type="checkbox"/> Assets	Any property owned by a person or business. Assets include money, land, buildings, investments, inventory, cars, trucks or other valuables.
<input type="checkbox"/> Balance sheet	A statement of the financial position of a business that lists the assets, liabilities and equity at a particular point in time.
<input type="checkbox"/> Bookkeeping	The process of recording business transactions in the accounting books.
<input type="checkbox"/> Break-even point	The level of business at which the revenue (income) exactly equals the expenses (costs).
<input type="checkbox"/> Budget	A plan expressed in financial terms, e.g. how much money is needed to run the business and how much money will be generated.
<input type="checkbox"/> Business plan	A document that summarizes the operational and financial objectives of a business and contains a detailed plan and budget showing how the objectives are to be met. The business plan also contains detailed financial forecasts about the business performance, and a marketing plan.
<input type="checkbox"/> Cash-flow management	The process of monitoring, analysing, and adjusting the flow of financial resources. For small businesses, the most important aspect of cash-flow management is to avoid cash shortages, caused by a gap between cash inflows and outflows.
<input type="checkbox"/> Collateral	Assets that the entrepreneur is willing to put up to secure a loan. Houses, cars, property, or equipment are all examples of assets that may be used as collateral.
<input type="checkbox"/> Customer service	The ability to serve clients' needs. Improving customer service involves learning what clients need and developing plans to set up customer friendly processes.

<input type="checkbox"/> Depreciation	Decrease in the value of equipment over time.
<input type="checkbox"/> Entrepreneur	Anyone who creates his/her own earnings in the form of a business, contract or freelance activity. Also used to indicate a person who starts a new business venture.
<input type="checkbox"/> Fixed cost	Cost that does not vary significantly with the volume of goods and/or services. An example is employees' wages. (See also VARIABLE COST)
<input type="checkbox"/> Marginal costs	Additional costs associated with producing one more units of a product.
<input type="checkbox"/> Market research	The collection and analysis of information about clients, competitors and marketing strategies. Entrepreneurs use market research to determine the feasibility of a new business, test interest in new products or services, improve their business and develop competitive strategies. In other words, market research allows businesses to make decisions allowing them to be more responsive to clients' needs and increase profits.
<input type="checkbox"/> Marketing	Process to get potential clients of a business interested in its products and services.
<input type="checkbox"/> Partnership	A legal relationship between two or more people who share business responsibilities, resources, profits, and liabilities.
<input type="checkbox"/> Pricing	The setting of the selling price of a product or service.
<input type="checkbox"/> Promotion	Generally, promotion is communicating with prospective clients to influence them to buy a company's products and services. Promotion includes all the methods available to make a product known to clients so they will want to purchase it.
<input type="checkbox"/> Retail	Selling directly to consumers. Conversely, selling in large quantities to dealers for resale is a "wholesale" activity.
<input type="checkbox"/> Small business loan	A small business loan is money borrowed by a person to start or run a small business. It is an expression also used by lending institutions to describe loans granted to people who have a small business.
<input type="checkbox"/> Start-up capital	Funds required to start a business.
<input type="checkbox"/> Variable cost	Any cost which changes significantly with the volume of goods and/or services. An example is the cost of materials.

SAMPLE OF A SESSION PLAN

Annex 2 – Sample of a session plan

Session 1

LEARNING OBJECTIVE	CONTENT	TRAINING RESOURCES
1. Define the terms enterprise, entrepreneurs and self-employment	<p>Introduction (10 min)</p> <ul style="list-style-type: none">• Purpose of the workshop and session sequence.• Learning objectives, exercises and assignments for Session 1. <p>Business misconception (5 min)</p> <ul style="list-style-type: none">• Brainstorm with participants on the most important factors that discourage young people from setting-up a business (reference <i>Business start-up syndrome</i>). <p>Terms (15 min)</p> <ul style="list-style-type: none">• Ask participants to write on coloured cards the names of famous businesspersons and what they do.• Provide the definition of the most common business terms, their differences and similarities.	<p>Prepare a flip chart that lists:</p> <ul style="list-style-type: none">• the purpose of the workshop and the learning sequence;• the learning objectives of the session. <p>Prepare a flip chart listing business start-up constraints</p> <p>Prepare copies of the <i>Wordy words</i> exercise (only the first task should be given) to be distributed to participants for group work.</p>

LEARNING OBJECTIVE	CONTENT	TRAINING RESOURCES
<p>2. Analyse one's own skills and attitudes and compare them with entrepreneurial characteristics</p>	<p>Discovering oneself (20 min)</p> <ul style="list-style-type: none"> • Importance of skills and attitudes. • How to assess one's own qualities. • Entrepreneurial characteristics. <p>Closure and assignment (10 min)</p> <ul style="list-style-type: none"> • Summarize key learning points. • Give the assignment. 	<p><i>Let's score them</i> exercise</p> <p>Prepare three flip charts highlighting:</p> <ul style="list-style-type: none"> • the most important self-employment skills and attitudes; • the key learning points of the session (see objectives); • the assignment (items of common use, at home, in the street, in shops and thinking of improvements that people would be ready to pay for).

