SWEDEN

International Labour Organization

Training Manual on Economic Empowerment and HIV Vulnerability Reduction

A step by step guide to Start Your Business (SYB)

Prepared under the ILO-Sida Project on Economic Empowerment and HIV Vulnerability Reduction along the transport Corridors in Southern Africa

2014

BUSINESS PLAN

About Start Your Business

The Corridor Economic Empowerment Project (CEEP) is implementing the Start Your Business (SYB) training as a strategy to enable vulnerable communities to plan for implementation of business ideas and contribute to their livelihoods. The overall objective of this empowerment and job creation initiative is to better equip the vulnerable communities to address the underlying inequalities that tend to fuel the HIV and AIDS pandemic.

This ILOCEEP/SYB manual is an adaptation based on the ILO Start Your Business Manual. Start Your Business (SYB) is a training programme for people that have a practical business idea and want to start a new business. It introduces the steps in starting a business and results in a business plan for the proposed business venture. The SYB programme aims to contribute to the creation of viable small scale businesses by enabling potential entrepreneurs to carry out the steps to start their own businesses.

The SYB materials consist of a Manual and a Business Plan booklet. The Manual explains the steps to follow in preparing a business plan for starting a business. The Business Plan booklet is filled in by the entrepreneur as he or she works through the Manual. The business management methods used in the SYB Manual are the same as those in the seven Improve Your Business (IYB) Basics Manuals.

The ILO/CEEP through its accredited Master Trainers works closely with its partners in Eastern and Southern Africa in identifying, training and mentoring potential entrepreneurs in the transport corridors. Partner organisation trainers are introduced to the SYB programme in a Training of Trainers seminar, and they in turn conduct training and mentorship for beneficiaries who wish to start their own businesses.

The CEEP empowers vulnerable communities through assisting beneficiaries to form business groups as a way of harnessing their potential towards business start–up and growth. Business groups are critical in building confidence and as a voice on key issues that affect their members.

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NAME OF BUSINESS

____

Business Contact Details

Physical Address:

Contacts Persons:

Name & Surname:	Contact Numbers
Position in business:	
Email:	
Name & Surname:	Contact Numbers
Position in business:	
Email:	

Background Information (Area where the business will be conducted, motivation for the business, the owners, expected impact on individuals and community, proposed products and services)

Our Vision
Business Goals
Business Objectives
Peculiarities of the group (HIV vulnerability of the group/individuals

BUSINESS IDEA

Name of Business:

____

The business is going to: *(write on the applicable line)*

Produce the following product(s):

Main product: ____

Provide the following service or services: ___________________________

Run the following type of shop: ___________________________________

Run the following type of wholesale business: ______________________

The customers will be:

____

The business will sell in the following way: _________________________

____

The business will satisfy the following needs of the customers:

____

____

____

SWOT ANALYSIS

◻ **INSIDE THE BUSINESS** Include strengths and weaknesses that relate to all the members of the group	
Strengths	**Weaknesses**
◻ **OUTSIDE THE BUSINESS**	
Opportunities	**Threats**

Evaluate your business idea.

Number of strengths:	
Number of weaknesses:	
Are there more strengths than weaknesses?	☐ Yes ☐ No
Number of * for strengths:	
Number of weaknesses:	
Are there more * for strengths than weaknesses?	☐ Yes ☐ No
Number of opportunities:	
Number of threats:	
Are there more opportunities than threats?	☐ Yes ☐ No
Number of * for opportunities:	
Number of * for threats	
Are there more * for opportunities than threats?	☐ Yes ☐ No

PLAN FOR DEALING WITH WEAKNESSES AND THREATS

Weaknesses	**Strategies to overcome weaknesses**
Threats	**Strategies to minimise threats**

THE MARKETING PLAN

MARKET RESEARCH RESULTS

Market Research

1	2	3	4
Products	**Customers**	**Needs and preferences of customers**	**Competitors**

MARKETING PLAN

Product

Product, Service or Range of Products			
	1.	**2.**	**3.**
Quality			
Colour			
Size			
Packaging			
Certification			
Spare Parts			
Repairs			

Marketing Plan

Product

Product, Service or Range of Products			
	4.	**5.**	**6.**
Quality			
Colour			
Size			
Packaging			
Certification			
Spare Parts			
Repairs			

MARKETING PLAN

Price

For manufacturers and service operators

	Product or Service	
	1.	**2.**
Cost **(Units)**		
How much customers are willing to pay		
Competitor's Price		
Your price		
Reasons for setting this price		
Discounts will be given to the following customers		
Reason for giving discounts		
Credit will be given to the following customers		
Reason for giving credit		

MARKETING PLAN

Price

For manufacturers and service operators

	Product or Service	
	4.	**5.**
Cost **(Units)**		
How much customers are willing to pay		
Competitor's Price		
Your price		
Reasons for setting this price		
Discounts will be given to the following customers		
Reason for giving discounts		
Credit will be given to the following customers		
Reason for giving credit		

MARKETING PLAN

Place

- **Location**

Describe the planned location of the business

This location is chosen for the following reasons:

- **Method of Distribution**

The business will sell to:

☐ Individuals ☐ Retailers ☐ Wholesalers ☐ Others

This way of distribution is chosen for the following reasons

MARKETING PLAN

Promotion

Advertising

Type of advertising	*Details*	*Costs (Units)*

Sales Promotion

Type of Publicity	*Details*	*Cost*

Marketing Plan **People**		
Strategy	***Details***	***Costs***
Strategies to promote team work among the cooperative owners		

FORM OF BUSINESS REGISTRATION

The business will operate as a:

____

____

____

The reason for choosing this form of business is that:

____

____

____

The Owner(s) will be:

Name	Role	Skills/Relevant experience
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		
13.		
14.		
15.		
16.		
17.		
18.		
19.		
20.		

BREAK DOWN OF STAFF REQUIRED BY THE BUSINESS

Activities	Required skills	No. of staff required

STAFF REQUIRED				
Task	Required skills and experience	Performed by	Monthly Pay	Other contributions
Total number of staff				
Total staff costs per month				

Operational Plan

Introduction (Describe the basic operations of your business)

Equipment and Tools
The business will need the following tools and equipment:

Facilities
The business will require a facility that has the following:

Raw materials and suppliers
The following raw materials are required

The business will purchase these materials from the following sources: (write as much information as possible about your possible suppliers)

Production Process

Production Steps	Available Capacity	Total products Produced in ___(period)

Organisational Structure (draw your organisational structure below showing the authority levels)

Storage and Distribution (describe the storage and distribution process for your business. How would raw materials and finished goods be transported)

SINGLE PRODUCT COSTING

COSTS PER MONTH	
DIRECT MATERIALS COST	**UNITS**
DIRECT LABOUR COSTS	**UNITS**
INDIRECT COSTS	**UNITS**
TOTAL COSTS	

ESTIMATED SALES VOLUME	
MONTH	**TOTAL SALES VOLUME**
TOTAL SALES VOLUME	

Cost Per Item (CPI)	= Total Costs (TC)	/ Sales Volume (SV)

INDIRECT COSTS FORM

INDIRECT COSTS PER ____________________________________

TOTAL INDIRECT COSTS PER ____________________	

SINGLE PRODUCT COSTING FOR A MANUFACTURER

PRODUCT COSTING FORM

For manufacturers and service operators

Product: ____________________

1. DIRECT MATERIAL COSTS PER ITEM

1	2 X	3 =	4
Raw Material	Buying Costs	Quantity per	Costs Per Item

X

PRODUCT COSTING FORM

For manufacturers and service operators

Product: ____________________

1. DIRECT MATERIAL COSTS PER ITEM

1	2	3	4
Raw Material	Buying Costs	Quantity per	Costs Per Item

X

Labour Costs Form

			DIRECT LABOUR COSTS		INDIRECT LABOUR COSTS	
1	**2**	**3**	**4**	**5**	**6**	**7**
Employee	**Total Working hours per six weeks**	**Total pay Per six weeks**	**Hours in production per six weeks**	**Pay for time in production**	**Hours not in production per six weeks**	**Pay for time not in Production**
Total						

- DIRECT LABOUR COSTS PER ITEM

$$\frac{\text{TOTAL PAY FOR TIME IN PRODUCTION}}{\text{TOTAL NUMBER OF PRODUCTS}}$$

COSTING FOR A RETAILER OR WHOLESALER

MONTHLY PURCHASES FORM			
Product	**Quantity per Month**	**Unit Price**	**Total (Units)**
TOTAL MONTHLY PURCHASE			

Product Costing Form
for Retailers and Wholesalers

- **INDIRECT COST CHARGE (%)**

$$\frac{\text{TOTAL INDIRECT COSTS PER MONTH}}{\text{TOTAL DIRECT MATERIAL COSTS PER MONTH}} = \boxed{}$$

INDIRECT COST CHARGE

	1	+	2	=	3
Product	**Direct Material Costs Per Item**		**Indirect costs per item (column 1 x Indirect Cost Charge)**		**Costs Per Item**

FINANCIAL PLAN

The Sales and Cost plan (Currency)   20--------_

Details	**JAN**	**FEB**	**MAR**	**APR**	**MAY**	**JUN**	**JUL**	**AUG**	**SEPT**	**OCT**	**NOV**	**DEC**	**TOTAL**
Sales													
Direct Material Costs													
Direct Labour Costs													
Gross Profit													
Indirect Costs													
Net profit													

CASH FLOW PLAN (Currency)

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT	OCT	NOV	DEC
CASH IN	**1** Cash at the start of the month												
	2 Cash in from sales												
	3 VAT collected from Sales												
	4 Any other cash in (savings)												
	5 TOTAL CASH IN												
CASH OUT	**6** Cash out for direct material costs												
	7 Cash out for direct labour costs												
	8 Cash out for indirect costs												
	9 Cash out for planned investment in equipment												
	10 VAT on Supplies												
	11 Loan repayment												
	12 Any other cash out												
	13 VAT payable To Revenue Authority												
	14 TOTAL CASH OUT												
	15 CASH AT THE END OF THE MONTH												

SOURCES OF START-UP CAPITAL

Required start-up capital ____________________

Sources of start-up capital ____________________

Owner's equity ____________________

Other sources

____ ____________________

____ ____________________

____ ____________________

Total (must be the same amount as required start-up capital)

Collateral (if applying for a loan)

1.____

2.____

ACTION PLAN FOR STARTING THE BUSINESS

Action Required	Contact	When	Responsible Persons
Product			
Price			
Place			
Promotion			
Form of Business			
Staff			
Costing			
Financial planning			
Required start-up capital			
Sources of start-up capital			
Capacity Development			