

Rapid Market Appraisal: A manual for Trainers Revised Version for Indonesia

Revised by: Ira Febriana

Banda Aceh, December 2006

International Labour Office

Copyright © International Labour Organization 2006
First published (1999)

Publications of the International Labour Office enjoy copyright under Protocol 2 of the Universal Copyright Convention. Nevertheless, short excerpts from them may be reproduced without authorization, on condition that the source is indicated. For rights of reproduction or translation, application should be made to the ILO Publications (Rights and Permissions), International Labour Office, CH-1211 Geneva 22, Switzerland, or by email: pubdroit@ilo.org. The International Labour Office welcomes such applications.

ILO / Ira Febriana
Rapid Market Appraisal: A manual for Trainers. Revised Version for Indonesia.
(Jakarta), International Labour Office, (2006)

ISBN 978-92-2-119562-7 (web pdf)

Also available in (Indonesian): (*Penilaian Pasar Secara Cepat: Manual untuk Pelatih. Telah direvisi untuk Indonesia*) (ISBN 978-92-2-819561-3; ISBN 978-92-2-819562-0), Jakarta, (2006).

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

The responsibility for opinions expressed in signed articles, studies and other contributions rests solely with their authors, and publication does not constitute an endorsement by the International Labour Office of the opinions expressed in them.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland or from the ILO Office in Jakarta, Menara Thamrin, Level 22, Jl. MH Thamrin Kav. 3, Jakarta 10250. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org; jakarta@ilo.org.

Visit our website:
www.ilo.org/publns; www.un.or.id/ilo.

Printed in Indonesia

Foreword

The main contribution of the International Labour Office in the tsunami response programme has been to assist men and women to achieve gainful employment, protect the vulnerable, and recover the economies in Aceh and Nias. One of the programme's main strategies is to strengthen local business development service providers (BDSPs) with quality tools and better capacity to response to the needs of women and men who operate micro and small enterprises.

In Aceh, much has been done to support business start up but very little in marketing support. Micro and small entrepreneurs (MSEs) and the local BDSPs are often unaware of the marketing challenges and the way to respond to such challenges. Market opportunities are not sought. New products tailored to market trends and customers' tastes are not developed. Such is a situation faced by MSEs in Aceh and world-wide. Building the skills of MSEs to assess and interact with the market is an effective way to foster business growth.

Recognizing that market knowledge is an important factor for business development, the ILO decided to produce this Rapid Market Appraisal (RMA) manual for trainers. It is based on similar tools the ILO has developed worldwide and adapted to the Acehnese context.

Ira Febriana, National Project Officer for the ILO took the lead in the adaptation and validation process. ILO would like to acknowledge the contribution of trainers of Aceh based BDSPs namely Aceh ka Bangkit, Beujroh, CCDE, HMI, and IWAPI, who provided valuable feedback.

The publication of this RMA manual is supported with funds the ILO received from the Government of Ireland. More information about the ILO Aceh Programme and its work on women entrepreneurship development can be found on the ILO website (www.ilo.org/jakarta)

Jakarta, December 2006

Alan Boulton
Director
ILO Jakarta Office

Table of Contents

Foreword	iii
1. About this Manual	1
Whom is this manual for?	1
Basic Idea behind the Manual: Why now?.....	2
Rapid Market Appraisal Concept	2
On what basis of experience is this manual developed?.....	3
How is the manual developed?.....	3
2. The Benefits of Rapid Market Appraisal	4
Quantitative effects	4
Qualitative effects.....	4
3. Organizing and Conducting Rapid Market Appraisal	5
Initial Planning.....	5
Who are the targets of the training?.....	5
Marketing Rapid Market Appraisal Training.....	6
General guidelines for training.....	7
Training Methodology	8
Introduction and Icebreaker.....	9
Identifying Expectations and Concerns.....	10
Rules which ensure order of the training.....	11
Introducing Analysis of Strength, Weakness, Opportunity and Challenge of a Product.....	12
Definition of Product.....	13
Market Demand.....	14
Ways to look for Ideas for New Products	17
Getting Three New Product Ideas	18
Analyzing your product ideas.....	18
Review of Previous Lessons.....	19
Initial Analysis of the Best Idea	20
Undertaking in-depth Analysis of the Best Idea.....	20
Identifying Key Informants and Potential Consumers	21

Developing a List of Questions	23
Market Appraisal Interview Simulation	24
Performing Field Practice	25
Presenting the Results of Rapid Market Appraisal	25
Analyzing Results and Developing Plan	26
4. Evaluating the Process of Rapid Market Appraisal Training	27

Chapter 1. About Rapid Market Appraisal Manual

Whom is this manual for? This manual is targeted on trainers, institutions as well as groups that promote the development of micro and small enterprises (MSE). Specifically, it is targeted on institutions that are interested in promoting independent Business Development Services (BDS) in order to have a larger impact. These Business Development Services include non-financial services aimed to grow businesses, which range from product development, training, marketing, business skills development, consultation services and business advice. It offers a method to help entrepreneurs have market responsiveness and develop practical products that would gain an advantageous position in the local market.

Marketing is an area that is often overlooked by both MSE and their supporting institutions, and a large number of MSE experience the problem of a declining market due to the increasing competition inflicted by producing the same product. It is not a common practice that micro and small entrepreneurs develop products based on an understanding of the market despite the fact that attention to the market aspect is useful for business growth.

This manual presents a three-day training program that encourages entrepreneurs to undertake the steps required to understand market demand, develop a series of innovative products and study their local market opportunity in order to test the potential of a new line of products. Experiences in the past five years in Kenya, Uganda and Tanzania indicate that such training is so practical and beneficial for micro and small businesses that entrepreneurs are willing to spend money to be able to participate. Most importantly, there is an indication that rapid market appraisal is so much in demand once the entrepreneurs realize its benefits and that there is a chance for this kind of training to be organized in an independent manner.

The training has helped provide income for new class of trainers at the grass-root level or for actors promoting small businesses. In Uganda, trainers or local figures in the field of business development were offered to attend this training with an incentive (admission fee discount) given to the participants of the first class. At present, they offer the training to local entrepreneurs and gain enough profit for themselves. Similar effort is being planned for Kenya and Indonesia. The new class of trainers is not depending on non-governmental organizations or donors to market their expertise, but contacting micro and small businesses on their own. Hence, market orientation of the trainers has shifted from donor and non-governmental organizations to micro and small entrepreneurs. Micro and small entrepreneurs consider that Rapid Market Appraisal (RMA) training is valuable for developing profitable products in the market.

Organizations promoting micro and small businesses can reach wider target segments through a very sustainable way. While institutions and trainers employed by non-governmental organizations will also find Rapid Market Appraisal training useful and practical for key organizations in entrepreneurship, it will be nonetheless more sustainable when the skills are passed on to trainers who will be directly responsible to the micro and

small entrepreneurs themselves. Institutions have also to avoid market distortion caused by RMA being offered to local trainers with lower fee than the market price. It is then advisable that those institutions consider employing professional trainers (or use their own resources) to train local trainers. Afterwards, they may also consider providing subsidized training fee for extremely weak micro entrepreneurs who lack the access to business development or who just start their businesses. In the long run, subsidy will not be necessary. Based on the experience of FIT ILO, Rapid Market Appraisal training is a cost-effective investment for micro and small entrepreneurs. They will benefit from the training in the form of increased profit of their respective businesses.

***Basic Idea
behind the
Manual: Why
now?***

Financial sustainability of micro and small businesses has been accomplished through group-based savings-and-loan method. However, such financial sustainability is non-existent for business development service providers.

Many practitioners argue that business development institutions play a pivotal role in promoting innovation and development of micro and small businesses. Therefore, there need to be services developed and provided for business development institutions, which should be able to make them financially self-sufficient. To date, comprehensive and supporting measures are needed to allow economic independence of the institutions.

Provision of soft loans to micro and small entrepreneurs should be able to replace “total grant” approach. Soft loan packages in small credit value can be offered to micro and small entrepreneurs or to their associations. Access to credit is frequently pointed out by small and micro entrepreneurs as one of the biggest challenges in enhancing or developing their businesses. Loans can be made in an effort to expand business, for such purposes as buying new equipment, renting a storage, etc, so that income will increase and they can therefore repay the loan. Loan interest should be sufficient to cover the operational costs of the loan, but it still has to be lower than the interest rate imposed by the informal sector or loan shark. The amount of the loan should meet the needs of the small and micro entrepreneurs and be adjusted to their capability to repay. Loan is not the only option to expand business; there are a number of microfinance services, namely micro leasing, saving program, and so on.

***Rapid Market
Appraisal
Concept***

Market appraisal is of extreme necessity and is conducted by major enterprises on a regular basis. It is equally important that micro- and small-scaled enterprises be able to learn how to conduct their own market appraisal on a smaller scale after the three-day training program on rapid market appraisal. Based on experience from FIT ILO program, Rapid Market Appraisal was initially aimed at micro and small entrepreneurs. In its development, however, not only were the training targets limited to micro and small entrepreneurs, but also trainers in the field of entrepreneurship in the framework of responding to market demand. Rapid market appraisal is one method widely known to entrepreneurs as a valuable tool with which to gain inspirations for new products tailored to the needs of the market.

It helps small and micro entrepreneurs to develop marketable products and allows them to become more sensitive to the significance of marketing. Most small and micro entrepreneurs tend to be absorbed only in producing their goods or services. They tend to find ideas for their products from their competitors so that at a certain point the market would get all saturated with a majority of manufacturers producing identical goods and competing for the same market. They are apt to find costumers based on personal relationship such as from among relatives and friends instead of seeking to produce innovative goods that would attract new consumers. Women micro entrepreneurs in Aceh even only make products based on orders from friends or relatives so that business profit is very limited since production volume is closely dependent on the amount of orders. In general, micro and small entrepreneurs seldom ask their clients how they can improve their products or services. Rapid market appraisal helps them to realize the demand and opportunity available on the market. When costumers and key informants become sources of information, ideas for new and better products can be explored. Demand for products can be reviewed so that only those possessing the correct market potentials will be produced and the entrepreneurs will start to internalize the significance of making consumers as their priority and actively communicating with them.

On what basis of experience is this manual developed?

FIT ILO Program has sponsored a lot of rapid market appraisal trainings in Kenya, Ghana, Uganda, and Tanzania in the last four years. This training is also conducted in the province of Nanggroe Aceh Darussalam (NAD), Indonesia. After undergoing the training, a number of participants from organizations dealing with business development and those who are professional trainers have conducted rapid market appraisal trainings in an independent manner, without financial support from FIT ILO program. In Aceh, organizations that have received rapid market appraisal training from WED ILO Aceh program, such as Beujroh and HMI, also conduct similar training for women entrepreneurs they are nurturing. Hundreds of micro and small entrepreneurs who have been trained in Kenya, Uganda, Ghana and Tanzania have been formally evaluated. .

How is the manual developed?

Chapter 2 of this manual describes how to facilitate rapid market appraisal training. Upon training, business development institutions again collect the data on the impacts the training has on the participating micro and small entrepreneurs and whether there is a demand for similar training. Micro and small entrepreneurs would also like to know further whether the training is worth all the time, money and effort spent and what sort of benefits will be gained after attending such training.

Chapter 3 delineates step-by-step approach to conducting rapid market appraisal. Emphasis is given to training of trainers who will in turn train micro and small entrepreneurs with the hope to gain financial benefit from the service provided.

Chapter 4 provides the guidance on monitoring and evaluation of the training and offers suggestions for future innovations.

Chapter 2. Benefits of the Rapid Market Appraisal

Quantitative effects

All entrepreneurs who participated in the training and put it into practice reported some increase in sales. Unfortunately, evaluation up to this point has not made the effort to quantify the profit gained from this increase in sales. To be able to make accurate calculation, a control group that has never participated in the training and practiced rapid market appraisal is needed as a comparison. Another measurable, quantitative effect on the participants is an increase in the number of costumers. The percentage of the increase so far has not been measured in detail either. Measuring benefits quantitatively is not an easy task to perform. Specifically measuring the benefits gained after rapid market appraisal training means to separate them from the overall factor of economic trend that has effects on the world of entrepreneurship.

Another way of measuring the effects of the training quantitatively is by observing the sum of money micro and small entrepreneurs are willing to spend to be able to participate in the training (and the percentage of the sum compared to their income). Business development institutions in Uganda found that micro and small entrepreneurs were wiling to allocate a great percentage of their income to be able to participate in the training especially after they had seen the benefits of it to their competitors who had followed it. The desire to invest some fund to follow rapid market appraisal training is a clear indicator of the value of the training to micro and small entrepreneurs due to the fact that in general they do not enjoy the luxury of plenty of extra cash let alone making some unwise investment. It needs to be pointed out that the willingness to invest money and time is a significant indicator of an existing demand for rapid market appraisal training. Micro and small entrepreneurs generally employ a small number of workers and have to carry out a lot of responsibilities on their own to ensure business sustainability. They do not have plenty of spare time to spend casually, unless it is for something that offers a return of investment.

Qualitative effects

Entrepreneurs participated in the rapid market appraisal training generally reported that their skills were improved, and that they were afterwards able to conduct their own market survey and product development. In Aceh, most training participants admitted that they had never previously conducted rapid market appraisal because they did not possess the required skills and knowledge. Micro and small entrepreneurs also reported that there was an increased level of awareness of the need to seek costumers, to display products and to value their costumers as well as to prioritize their needs. The awareness of the need for marketing has increased. As a result, products are developed or modified to meet market demand and product quality has increased. Moreover, after applying rapid market appraisal, communication with costumers and key informants is established and their suggestions help constantly improve their products. This product improvement in turn triggers an increase in sales and absorption of more workers in the business. Training evaluation on 22 members of Kamukunji association shows that 80 percent of those that have been surveyed have employed two to five new workers into their businesses after following the training and applying the rapid market appraisal.

Chapter 3. Organizing and Conducting Rapid Market Appraisal

First step: This training will gather a number of micro and small entrepreneurs from the same sector with the hope that they will get the chance to learn from each other. Some of the benefits are technology and business contacts, including new production techniques, information on tools and spare parts, information on suppliers of materials and suggestions from fellow participants for product improvement. New consumers are frequently gained benefit of rapid market appraisal. Everyone that has been surveyed reported an increase in the number of costumers. Participants learned to find new costumers either by actively seeking or by improving the quality of their products.

Initial Planning

Who are the targets of the training?

After rapid market appraisal training, I visited Neusu and Keutapang, where I found new costumers. I established active communication with consumers in Lhokseumawe, especially through meetings or social activities.

(Cut Nurlaila, Asosiasi Perempuan Pengusaha Aceh (Association for Women Entrepreneurs of Aceh))

All participants also reported improved communication with their costumers and admitted that the feedback and suggestions from consumers and key informants were crucial for the development of their products. Another positive benefit is the polite way of communicating with costumers and the strategy for consumer satisfaction.

All micro and small entrepreneurs surveyed after the training reported new business contacts attained, including material suppliers, non-governmental organizations in entrepreneurship development and information on new markets for their products. Forty percent of them reported that they learned new ideas for marketing, especially from their peers, and that up to now they still maintain contacts with each other. An indication of better business management was also mentioned by participants. It was learned indirectly throughout the training or from other entrepreneurs during the sharing sessions of the training.

Some entrepreneurs revealed that there had been some progress in bookkeeping, stock control, and general business management. All that were surveyed reported better bookkeeping and documentation of their businesses, as one entrepreneur stated below:

I have learned to separate money for business and that from other sources. To make business profitable and sustainable, I have designed an incentive mechanism for my employees.

(Mustafa Kudri, Concrete Brick Businessman, Banda Aceh)

All entrepreneurs also admitted higher self confidence and wider horizon. Some of them who were trained also found solutions to their frequently faced problems.

It is obvious that rapid market appraisal training is a highly useful training for micro and small businesses. It is a highly valuable investment that takes only three days and

inexpensive cost. In the next chapter we will explore how to organize and conduct rapid market appraisal training.

The planning period is crucial for you, trainers, in preparing yourselves to conduct the training. It is also an important time for entrepreneurs to become aware of the opportunities offered in the training. The first question to be answered is about target participants. This training does not require that all participants, micro and small entrepreneurs, come from the same sub sector since there is a concern over competition with other entrepreneurs of the same business. Even so, gathering entrepreneurs from the same sub sector offers a lot of benefits, and in this manual we will assume that training participants are from one or two sub sectors. If they are of the same one or two sub sectors, various benefits can be gained, such as, among others, to build network, to find new ideas and to gain confidence. If possible, to minimize competition among the micro and small entrepreneurs it is worth trying to gather entrepreneurs from various locations (but from the same sub sector).

Rapid market appraisal training is normally conducted for entrepreneurs who have been running their businesses. In other words, their businesses should be at least one year old. Even though entrepreneurs who just started their businesses would benefit from rapid market appraisal training, their needs also involve other service aspects so that they have to think about various issues when designing the line of products or services they are to offer to consumers.

To trainers, rapid market appraisal is a training product to be marketed to potential costumers or clients. Consumers of this training are non-governmental organizations or small and micro business associations. To conduct training of trainers, the group of target participants has been determined, at least to certain degree, by clients. It is not too difficult to market rapid market appraisal training to organizations or institutions promoting business development, and those organizations are in need for rapid market appraisal as an effort to help the groups they are advocating to better develop their businesses.

***Marketing
Rapid Market
Appraisal
Training***

To lessen the dependency on donors and to increase the sustainability of the training, it had better be aimed directly at micro and small businesses. In chapter 2 there are some examples of the benefits of the training. The list of benefits can be used to market the training. While marketing through face-to-face meeting with clients or consumers is the most effective way, this training can also be promoted to illiterate micro and small entrepreneurs. Other possible methods include advertising using pamphlets, posters, notice at public places and incentives. Incentives may include special discount for introductory training. You can also collaborate with organizations promoting small and medium businesses and propose that the organizations pay for fifty percent of the cost of the first training as a special offer to micro and small entrepreneurs. Widespread word of mouth about the benefits of the training will attract new clients once the competitors of the training participants see the benefits. With these strategies, non-governmental organizations and organizations promoting small business development will not be able to distort the market for rapid market appraisal training.

Another option is to conduct rapid market appraisal training for trainers, whether they are established, prospective, or BDS trainers. Within a community it is common that there are people who possess the capacity to become trainers or those with good leadership skills. Providing them with rapid market appraisal skills will encourage sustainable learning process within the community and offer them a window of opportunity for a new source of income by training micro and small entrepreneurs on rapid market appraisal. This method has been successfully applied by FIT ILO in Uganda. Local trainers or organizations in the field of entrepreneurship enrolled in the training after it was advertised in national newspapers. It was stated in the advertisement that the training was meant for potential trainers as a business opportunity to take part in providing professional business development services. FIT ILO subsidized fifty percent of the training cost for the first training participants. Those who received the rapid market appraisal training started to offer the training as well as other business skills trainings to micro and small entrepreneurs in their respective regions.

Experiences of FIT and WED ILO suggest the following general guidelines for rapid market appraisal training:

***General
guidelines for
training***

- The training is designed to take three days, conducted in three stages, and each stage will take four hours. It is a short training and will only take half of each day in order that entrepreneurs need not to take too much time out of their routine activities. Micro and small entrepreneurs are usually occupied and cannot afford too much spare time. Half-day training days will allow them to take care of their businesses first.
- It is designed for 10 to 15 participants. Having more than 20 participants will require more than three days while less than 10 participants will prevent them from gaining maximum benefit, for example in group discussions, even though it means each participant could get more attention.
- It should be held in a location not far from participants' business sites. However, the location should not be too close to business sites either since participants may be distracted by their employees or costumers. The training room should be sufficiently large to conveniently accommodate all participants. Should tables and chairs be unavailable, plaited mats or carpets can be used. Participants should be seated in such a way that they can see each other, for example in a circle or U shape. Flipcharts, metaplan cards, pens, markers, flipchart boards or whiteboards should be available for trainers.
- When training small and micro entrepreneurs, ask them to bring samples of products so that during the training they will receive suggestions and comments for developing new and innovative products built on the old products.
- Participants should assign one person to become a note taker throughout the workshop, or trainers should employ a note taker to work during the training. Participants should not take notes on their own so that they can fully participate in

group discussions.

- Time arrangement for the training should be adjusted to the entrepreneurs' available time according to their respective business cycles. Therefore, training schedule will depend on participants' business seasons and types.

Training Methodology

Training participants need to take part with full concentration and be actively involved in discussions and practices in order to gain complete understanding. Trainers are encouraged to find creative methodology in order that each participant will fully participate. Employing games involving physical movement regularly throughout the training may help with the learning process. It is suggested that trainers make use of games that help participants to become acquainted, as well as motivational games that help students to regain their concentration and to eliminate boredom and sleepiness when the level of concentration is decreasing. Motivational games may take any activities that require active movement such as singing or moving body parts. In presenting materials, trainers should establish two-way communication by asking questions and involving all participants instead of one-sided communication as in lecture. Trainers should not be giving answers but rather helping students to think for themselves while keeping the language simple and constructive.

Trainers should encourage silent participants to speak up their minds, and also need to restrain dominant participants to learn to listen to others. Paraphrase participants' statements after they express their thoughts or give their suggestions. Write them down or repeat them in front of the participants. Never disrespect participants' views and listen attentively to questions, observations and suggestions. Discussions will help participants to think creatively. Explain the rules of discussion:

- The objective is quantity, not quality. Think of all possible solutions, whatever they might be.
- Do not comment on or criticize ideas or inputs.
- Joking is acceptable. Laughing is advisable.

This three-day training comprises presentation of materials, group work through group discussions and field practice. All participants have the opportunity to report and present their findings from the field practice in front of the forum. When the number of participants exceeds 15 people, it may be necessary to extend the training for one more day.

Day 1, Step 1: Introduction of Participants (icebreaker)

Introduction and Icebreaker



Objective

- To get participants acquainted with each other and bring them closer in order to have better group cooperation.

Training participants will be able to cooperate in the group effectively when they feel comfortable with one another. If the training is especially conducted for an association or organization, then the participants may have known each other. However, these activities are still of use to establish a constructive group dynamics. Fun introductory method can melt the ice and help improve learning spirit and add to the closeness among fellow training participants. Any form of activities that bring people closer together may be used.



Room Arrangement:

- No chairs or tables



Necessary Materials:

- Three balls of different colors



Time

- 30 minute



Steps:

- Here are some examples of games that can be played:
 - a. Ask everyone to pair up. Each person will ask his/her partner a few questions such as where he/she comes from, what line of business he/she runs, what he/she wants to learn about the most, the most embarrassing moment of his/her life, his/her biggest achievement, etc. After some moment, ask each pair to introduce their partners to the rest of the class by quoting the collected information.
 - b. Ask participants to introduce each other by forming sentences consisting of words that start with the same letter. For example, "I am Carlo the carpenter" or "I am Michael the margarine maker". Such sentences would help people remember other people's names.
 - c. Make a circle and take turns to introduce oneself and the persons before one's turn. For example, the first participant would say, "I am Zaenal." Then, the second would say, "I am Marlina and he is Zaenal." After that, the next person would say, "I am Laila, and they are Marlina and Zaenal." The last participant would have to mention the names of all participants. If a mistake occurs, the person should move to the end of the circle to get a second chance, which would be more difficult.
 - d. Ask participants to stand in a circle together with you. Throw a ball to one of them but

mention his/her name prior to doing it. Similarly, ask the receiver of the ball to throw it to a different person while mentioning the person's name. Continue doing that until all participants have received the ball. Those who have received the ball should not receive it twice so that everyone will get his/her turn to receive and throw the ball. Do it for a few minutes to make up several turns then ask them to do it again faster. After the cycles get smoother, use the second and third ball in the game.

Day 1, Step 2: Identifying Expectations, Concerns

Identifying Expectations and Concerns



Objectives

- Trainers will identify whether participants' expectations are in line with the training objectives.
- To identify concerns in order that trainers become aware of possible constraints during the training and take actions to anticipate those constraints so that concerns will not materialize.

In this topic trainers will deliver the presentation on rapid market appraisal training objectives and delineate training structure, methodology and schedule. You will need to identify participants' expectations of the training as well as concerns and constraints to achieving those expectations, such as issues of punctuality and boredom/sleepiness.



Room Arrangement

- U-shaped table arrangement



Necessary Materials

- Metaplan cards of two different colors (red and blue), markers, tape, board to hang flipcharts, scissors.



Time

- 30 minute



Steps

- a. Explain the goal of identifying expectations and concerns.
- b. Use the metaplan cards to do it. Distribute two pieces of metaplan cards, one blue and one red, and a black marker to all participants.
- c. Ask them to write down expectations on blue paper and concerns on red paper.
- d. After that, ask those who have finished to stick their papers on the board to be visible to everyone by columns; left column for expectations, right column for concerns.
- e. Ask participants to group all answers based on their similarity.

Day 1, Step 3: Establishing Learning Rules

Rules which ensure order of the training



Objectives

- Training will run more smoothly when there is a common agreement on learning rules which ensure order during the training.
- To anticipate participants' concerns over the possible constraints during the process of training.

Everyone's participation in making this common agreement will initiate their full participation on the days ahead. Rules for order may cover punctuality, raising hand when wishing to speak or not interrupting others who are speaking, setting cell phones to silent mode in order not to distract concentration during the learning process. You may impose sanctions based on common agreement on participants breaching the rules or in order to prevent their concerns from materializing. For example, you may assign late comers to prepare games to be used when the class is bored and concentration deteriorates. You may also appoint a person to be responsible for timekeeping during the training or other activities.



Room Arrangement

- U shape



Necessary Materials

- Flipcharts, board to hang flipcharts, markers, double tape, scissors



Time

- 30 minute



Steps

- a. Mention the benefits of establishing learning rules that are commonly agreed upon by all participants.
- b. Ask participants to suggest rules to be agreed, which will be in effect throughout the training.
- c. Write all suggestions on a piece of paper with a marker.
- d. Hang the paper with the rules on it somewhere that is readily visible to all participants so that they will be aware of, memorize and abide by those rules.

Day 1, Step 4: Introducing a Simple Analysis of Strength, Weakness, Opportunity and Challenge of a Product

Introducing Analysis of Strength, Weakness, Opportunity and Challenge of a Product



Objectives

- Participants are able to undertake simple analysis of a product based upon its strength, weakness, opportunity and challenge

A good product is a product that can address its consumers' needs. The product will solve consumers' problem. When consumers are adequately satisfied with the product, they will buy it. When this is the case, there is a **market demand** for the product. **Market** refers to all commercial activities, i.e. all buying and selling of goods and services that form a market. Demand refers to the fact that there are a sufficient number of consumers who are in need and willing to spend some money to buy a product. To decide whether a product meets the demand of the market requires an assessment on how well it addresses or provides solutions to problems.



Room Arrangement:

- Tables are set in U shape, with a small table positioned at the center.



Necessary Materials

- A product produced by one of the participants, a small table, flipcharts, metaplan cards, double tape, scissors.



Time

- 60 minute



Steps

- a. Mention the benefits of undertaking simple analysis of a product from the aspects of strength, weakness, opportunity and challenge
- b. Play a simulation game of guessing product price as an introduction to product analysis.
 - To play this game, place a table at the center of the room and put one of the participants' products on the table in such way that it is clearly visible to everyone.
 - Ask the product maker to stand by the small table. Distribute metaplan cards and a marker to each participant.
 - Divide participants into three groups by counting from one to three.
 - Distribute two kinds of metaplan cards; one is red and the other is green, to each group. Ask all groups to decide on how much they are willing to pay for the product and how many they want.
 - Ask each group to write their answers on the metaplan cards. Use the red one for price and the green one for quantity.
 - All participants may come forward to touch, feel and collect more information on the product from the producer who is standing by. Any sort of information sought may be requested with the exception of production cost and selling price.

- After all of the groups have finished their discussion and written down their answers, ask each group's representative to stick their metaplan cards on the board.
 - Give a piece of metaplan paper to the producer to write the selling price on.
 - Go through all answers to see one which is the closest to the actual selling price. Compare them to decide which one(s) is/are higher and which one(s) is/are lower than the actual selling price.
- c. Carry out an analysis of the strength of the product by asking the group that guessed higher price to mention the strengths of the product, which make them willing to pay more. Identify all answers as the strengths of the product and write them down on flipcharts. Ask the group that guessed lower price the reason they did so. Identify their answers as the weaknesses of the product. Ask participants why they want to buy the product in such quantity. Why not buying more, or why buying a lot of it? Then ask the producer the constraints or challenges he/she is facing. Write his/her answers on flipcharts and ask the participants about other possible challenges in marketing the product. Elicit ways to overcome those challenges, how to improve the product and opportunity the product has.
- d. Explain that this is the exercise they are going to perform again when deciding which product has better market potential.

Day 1, Step 5: Getting Product Ideas

Definition of Product

- 🎯 **Objective:**
 - Participants understand the definition of product



Room Arrangement:

- U shape



Necessary materials:

- Metaplan cards (one color), markers, double tape, scissors



Time

- 30 minute

- 🎯 **Steps:**
 - a. Distribute metaplan cards and markers to all participants, and ask them to write a definition of product.
 - b. Stick all papers on the flipchart board for all participants to see. Group the papers based on similarity of answers.
 - c. Draw a conclusion on what a product is and that products are not limited to goods only, but also include services. Write the conclusion on flipchart paper so that all participants can see it clearly.

Day 1, Step 6: Market Demand

Market Demand



Objective:

- Participants understand the consequence of producing the same product in the same market

A product offers solution to a problem. In this sense, products can be in the form of services, such as child care offered by a worker or a relative.

Participants should come to the fact that the more people produce the same product, the stiffer competition becomes, which means the more limited the market is. Market is like a cake; more slices of the same cake means smaller pieces. One solution to the problem of stiff competition in a market is by finding better or new ideas of products. That way, you will be competing in a more open market.



Room Arrangement:

- No chairs, only three tables for rice-seller game.
- U shape for the topic of business idea



Necessary Materials:

10 cards representing money of different face values, small table, flipcharts, 10 cards with a picture of rice on each of them, markers, tape, scissors, scenario for rice buyer, scenario for rice seller.



Time

- 60 minute



Steps:

- a. Play simulation game of one rice seller.
 - First, divide participants into five groups by counting from one to five. Group one become the seller. Groups two, three and four play the role of buyers. Group five become observers.
 - Give the scenarios to each group together with the necessary equipment. Group one should be provided with markers, flipcharts to prepare the advertisement and promotion for their product and also cards representing the rice to be sold. Consumer groups (groups two, three and four) should be provided with money cards. Group five should get flipcharts and markers.
 - Play the simulation game according to the scenario. Ask group five to record the dynamics of the interaction between rice seller and buyers, including price fluctuation and service provided by the seller.
- b. Play simulation game of three rice sellers.
 - Ask groups two and three to become rice sellers as well. Distribute the scenario to groups two and three. Ask group four to remain the buyer, and give them the scenario. Ask group five to remain the observers.
 - Distribute the equipment again. After that, participants play the simulation game of

three rice sellers and ask group five to record the dynamics and the effects on price, consumers, and the sellers.

- c. Ask all participants to go back to their seats and invite the representative of group five (the observers) to deliver a presentation about their observation on the simulation games of one rice seller and three rice sellers.
- d. Compare the observation results and ask why there are different effects on price, consumers, and producers. Then, conclude that more producers in one market will make the market saturated. For that reason, producers need to find ideas for innovative products to avoid saturated market. Draw this diagram on flipcharts and explain it to the audience.

What is happening now:

Similar products
Stiff competition
Lower income

What is desired in the future:

Market study
Identification of new products
Higher profit and income

Training aids

1. Scenario for one rice seller
2. Scenario for three rice sellers

One-rice-seller game: Scenario for Group 1 (Seller)

You are the only rice seller in Meuraxa, Aceh. Everyone wants to buy rice from you. As a seller you are entitled to raise the rice price anytime to gain maximum profit. Your objective is to get maximum profit and sell out your rice. Use the flipcharts and markers to help you promote your product.

One-rice-seller game: Scenario for group 2 (Buyer)

You and your family must eat, but you are out of rice. There is only one rice seller in the whole area of Meuraxa sub district, Aceh. You have the money. Your objective is to get as much rice as possible due to inadequate supply of it.

One-rice-seller game: Scenario for Group 3 (Buyer)

You and your family must eat, but you are out of rice. There is only one rice seller in the whole area of Meuraxa sub district, Aceh. You have the money. Your objective is to get as much rice as possible due to inadequate supply of it.

One-rice-seller game: Scenario for Group 4 (Buyer)

You and your family must eat, but you are out of rice. There is only one rice seller in the whole area of Meuraxa sub district, Aceh. You have the money. Your objective is to get as much rice as possible due to inadequate supply of it.

One-rice-seller game: Scenario for Group 5 (Observer)

Observe the dynamics of the interaction between the seller group and the buyer groups. Take notes of the effects on the rice price, service provided, selling strategy, the seller, and the buyers. Write down the reasons for those effects to take place.

Three-rice-seller game: Scenario for group 1 (Seller)

There are three rice sellers in one kampong. Use flipchart paper for promotion and to compete with the other two sellers. Discuss your marketing strategy with your family. Your objectives are to compete with the other two sellers, to attract as many buyers as possible to buy from you, to sell out your rice and to gain profit. You may change/raise/lower your price in order to compete with the others and to sell your rice out.

Three-rice-seller game: Scenario for group 2 (Seller)

There are three rice sellers in one kampong. Use flipchart paper for promotion and to compete with the other two sellers. Discuss your marketing strategy with your family. Your objectives are to compete with the other two sellers, to attract as many buyers as possible to buy from you, to sell out your rice and to gain profit. You may change/raise/lower your price in order to compete with the others and to sell your rice out.

Three-rice-seller game: Scenario for group 3 (Seller)

There are three rice sellers in one kampong. Use flipchart paper for promotion and to compete with the other two sellers. Discuss your marketing strategy with your family. Your objectives are to compete with the other two sellers, to attract as many buyers as possible to buy from you, to sell out your rice and to gain profit. You may change/raise/lower your price in order to compete with the others and to sell your rice out.

Three-rice-seller game: Scenario for group 4 (Buyer)

You and your family must eat, but you are out of rice. There are many rice sellers in Meuraxa sub district. You have the money, and you want the best service and quality of the rice you are buying. Your objective is to get rice with the lowest price and the best quality and service.

Three-rice-seller game: Scenario for group 5 (observer)

Observe the dynamics of the interaction between the seller groups and the buyer group. Take notes of the effects on the rice price, service provided, selling strategy, the sellers, and the buyer. Write down the reasons for those effects to take place.

Day 1, Step 7: How to find ideas for new products

Ways to look for Ideas for New Products



Objective:

Participants understand how or where to gain inspirations for ideas for new products.



Room Arrangement:

U shape



Materials:

Metaplan cards (one color), scissors, double tape and markers



Time

- 30 minute



Steps:

- Distribute metaplan cards and markers to all participants. Ask them where and how they usually find ideas for new products and write their answers on the cards. One card should have only one answer; if participants want to write more than one answer, give them more cards.
- Ask them to stick the papers on the flipchart board in front of the class, then group them based on similarity of answers.
- Read out each participant's opinion. Ask them whether there are other ideas or comments on the answers.
- Then, mention that there are chances of finding ideas through:
 - Visiting other cities or countries;
 - Magazines, journals or books;

- Trade exhibition;
 - Thinking of ways to make use of local resources
 - Thinking of ways to make use of waste products
 - Thinking of the needs of bigger consumers such as institutions, farmers, etc, and thinking of local problems that need solutions.
 - Thinking of ways to improve existing products;
 - Thinking of ways to apply your skills or hobby;
 - Asking consumers;
 - Asking experts such as research institutions, grocery stores, suppliers.
- e. Explain that consumers are crucial source of business ideas. These ideas will work provided that consumers are willing to pay for the products.

Day 1, Step 8: Getting Specific Product Ideas

Getting Three New Product Ideas



Objective:

- Participants practice to find several ideas and analyze them to determine the best idea for their products



Room Arrangement:

- U shape



Necessary Materials:

- Flipcharts, markers of different colors, tape, scissors, flipchart boards



Time

- 45 minute



Steps:

- a. Divide participants into three groups by counting from one to three.
- b. Tell them that each group should come up with three ideas for **NEW** products, different from the products they are already selling.
- c. Ask them to think about something that they can sell and that they are capable of producing. They may come up with an idea which is not entirely brand new, which has been produced by others, or something that requires more skills, tools, or human resources than what they are able to obtain.
- d. Distribute flipcharts and markers of different colors, and ask each group to draw different products on different pieces of paper. It is assumed that participants have the materials and limited loan to purchase the materials. If possible, write down the needs that are addressed by the products.
- e. After participants have finished the drawings, ask them to write or describe all negative and positive aspects of the products. Positive aspects may include: inexpensive and easy-to-get materials, less competition, high market potential, and little time required for production. Negative aspects may include: low consumers' awareness of the

Analyzing your product ideas

- benefits of the products, easy to fake, fragile, etc.
- f. Ask each group to decide which idea is the best for a new product, the next best and the last. The best idea should be the one with most positive aspects.
 - g. Ask representatives of each group to deliver a presentation. Each group will present about their first-place, second-place, and third-place ideas. Then, invite other participants to give comments or inputs on other positive and negative aspects of the products (and how to deal with the negative aspects).

Day 2, Step 1: Review of the Previous Day

Review of Previous Lessons



Objective

- Participants review the lessons from the previous day



Room Arrangement:

- U shape



Necessary Materials:

- Three tables, smiley cards with different colors



Time

- 30 minute



Steps:

- a. Divide participants into three groups and ask group members to line up in one column. The shortest in a group should stand at the front, and the tallest at the back. Then, conduct a quiz by asking questions related to yesterday's lessons. All group members may answer the questions. Every correct answer will be rewarded with a smiley card. Ask them to raise their hands before answering a question. The first person to raise his/her hand will be given the chance to answer. If the person's answer is wrong, the turn to answer the question will be given to another person who is the quickest to raise his/her hand again. Ensure that questions will cover:
 - definition of market and demand;
 - definition of product;
 - how a product can solve problems faced by consumers;
 - where product ideas can be found;
 - how to evaluate products by looking at their positive and negative aspects
- b. After the quiz is over, see which group has the most smiley cards. A big, round applause for the group.

Day 2, Step 2: Preparing for Rapid Market Appraisal

Initial Analysis of the Best Idea



Objective:

- Participants are able to carry out initial analysis of the best idea



Room Arrangement:

- U shape



Necessary Materials:

- Flipcharts, markers, flipchart boards, scissors, tape



Time

- 45 minute



Steps:

- Carry out initial analysis of the best out of the three ideas identified yesterday.
- Distribute flipcharts and ask participants to go back to their previous groups and carry out initial analysis of the best idea they concluded the other day. Ask them to discuss in their groups and write their answers to the following questions:
 - How would you prepare the materials or the tools required to produce the goods (or to offer the service)?
 - What about the availability of the product in the market?
 - Is it widely available in the market?
 - Is it obsolete or up-to-the-minute?
 - What about usability of the product? Is it easy to use?
 - What about quality? Is your product of better quality than what is already available in the market?
- Ask each group to assign a representative to deliver a presentation on the initial analysis. Then ask the other groups to give inputs.
- If, according to initial analysis, participants find too many potential problems and challenges, ask the group members to conduct another initial analysis, but this time on product number 2 and see if this idea provides better results.

Day 2, Step 3: Undertaking in-depth Analysis of the Best Idea

In-depth analysis of the Best Idea



Objective

- Participants are able to carry out in-depth analysis of the best idea



Room Arrangement:

- U shape

**Necessary Materials:**

- Flipcharts, markers, flipchart boards, tape, scissors

**Time**

- 45 minute

**Steps:**

- Ask participants to go back to their groups. Distribute flipchart paper and markers and ask them to carry out in-depth analysis of the idea that has presented the best results during the initial analysis. Ask participants to discuss in groups and write down the results based on these guiding questions:
 - Why do you choose the product?
 - What make it marketable?
 - How do you provide what your consumers want?
 - How would you obtain the materials or the tools required to produce the goods (or to offer the service)?
 - What are the negative aspects of the idea? What are the solutions?
 - Conclusion: is there a market for your idea?
- Ask each group to assign a representative to deliver a presentation on the results of the analysis. Ask other groups to pay attention and give suggestions.
- If, according to the in-depth analysis, there is a market for the product and there are solutions to all negative aspects, then participants proceed to the next stage of identifying key informants and potential consumers for market appraisal of the new product.

Day 2, Step 4: Identifying Key Informants and Potential Consumers

***Identifying
Key
Informants
and Potential
Consumers***

**Objective:**

- To identify potential consumers and key informants for the preparation of rapid market appraisal.

**Room Arrangement:**

- U shape

**Necessary Materials**

- Flipcharts, markers, flipchart boards, double tape, scissors

**Time**

- 90 minute

**Steps:**

- a. Explain about consumers and employ supporting pictures in order that entrepreneurs have deep understanding of the relation between entrepreneurs and consumers.
 - Consumers are the most important people in business.
 - Consumers are not dependent on entrepreneurs; it is the other way around.
 - Consumers are not a disturbance to your work; they are the objective of your work.
 - Entrepreneurs are not helping consumers by serving them; consumers are the ones helping entrepreneurs by giving them the chance to be of service.
 - No consumers, no business!
- b. Explain that there are two groups that will be interviewed for rapid market appraisal, i.e. consumers and key informants.
- c. Explain that consumers are the first group to be interviewed in market appraisal. Participants need to know as much as possible about consumers, from a variety of aspects:
 - Social classes (Are they poor, rich?)
 - Age (Are they young, old?)
 - Geography (Are they rural or urban community?)
 - Gender (Are they most likely women or men?)
 - Quantity (How often would they buy from you and when?)

If there are plenty of types of people who would go for the product, or if it is uncertain as for who would buy it, it is essential to find the **cross section** (samples of different groups) of potential consumers. Plan to interview old, young, female and male persons. Vary the potential consumers to be interviewed. If consumers tend to come from one group, for instance middle-aged women, it is crucial to find some distinctions, such as different environments, different ethnicities or different income brackets. Ideally, it is advisable to interview at least 10 consumers, and it is required to interview no less than six.

- d. Explain that key informants are people who possess information or specific knowledge of your product, its consumers and other aspects of the market.
- e. Distribute metaplan cards and ask participants to write down who the key informants of their products are. Key informants may include:
 - People or organizations having the knowledge of the making of the product
 - People or organizations having the knowledge of where to obtain the materials and technology needed to produce those products
 - People or organizations that are possibly familiar with the marketing of those products
- f. Display the metaplan papers. Group them by similarity of answers, and read out the opinions written there.
 Ask participants whether there are still other key informants who have yet to be covered. Mention also other possible key informants, such as suppliers, business associations, NGO personnel, government institutions, researchers, etc.
- g. Then ask participants to work in their respective groups. Distribute a piece of flipcharts paper and ask them to make a list of 2-3 key informants. Ask them to discuss and write down:
 - The reasons for picking up those key informants
 - The planning (how, when, where) for interview.
 - The list of 6-10 consumers/prospective consumers to be interviewed

- representing a range of age groups, different genders, geography, social classes.
- The reasons for choosing those consumers to be surveyed.
- Assignment of tasks; which group member will interview each of the consumers or potential informants.

Day 2. Step 5: Developing a List of Questions

Developing a List of Questions



Objectives:

- Participants are able to develop a list of questions for potential consumers or key informants for rapid market appraisal.



Room Arrangement:

- U shape



Necessary Materials:

- Flipcharts, markers, flipchart boards, tape, scissors



Time

- 90 minute



Steps:

- Ask participants to go back to their respective groups. Then, distribute a piece of flipchart and a marker. Ask each group to draw up a plan for rapid market appraisal by developing a list of questions to be asked to consumers and key informants. The major topics are around the need for the product, quality and price.
- Show an example of a list of questions for costumers, which include the questions below:
 - Where do you purchase the goods/service? (Near home, near the office, etc.)
 - Where else can you get it?
 - Where do you usually get it?
 - Why do you buy from that entrepreneur?
 - How many times do you buy it in a month?
 - How much do you spend for the product?
 - What do you think about the good or the service?
 - What do you think about the price?
 - Is there anything that should be improved about the product? (model, packaging, service)
 - Are you aware of other people who are planning to provide the product or service?
 - Are there any other products that you want?
 - If this is a new product, the list should cover questions related to model, quality, price, packaging, where it is purchased or delivered, and the sort of after-sales service offered.

c. Show an example of a list of questions for key informants, such as:

- To what extent do the consumers need this good or service?
- What do you think are the key factors that encourage people to buy? (e.g. quality, model, price, reliability, etc)
- Do you think that the business will be able to grow as time goes?
- What is the trend?
- Do people need this product year-round or does the demand vary with time in a year?
- Are there any aspects of the product that people seek but are unavailable or hard to obtain?
- According to you, what else do people want to have?
- Is there any market for the product?
- Who would buy it?
- What are the needs of the consumers?
- What do consumers look for in the product?
- How do you produce it?
- How do you pack and market it?
- How much would you sell it for?
- How is it going to be made?
- In details, what are going to be made?
- Why would people buy it?
- What do people look for in the product?
- How much are they willing to pay for the product?
- Who else are producing the same product and how much are they selling it for?

Day 2, Step 6: Market Appraisal Interview Simulation

Market Appraisal Simulation



Objective:

- Participants practice to interview consumers or key informants for market appraisal



Room Arrangement:

- U shape, with two tables at the center



Necessary Materials:

- List of questions for consumers and list of questions for key informants



Time

- 45 minute



Steps:

- a. Ask two participants to volunteer for a role play. One will be a consumer and the other will be an entrepreneur. The entrepreneur will approach the consumer by asking questions as included in the list of questions.
- b. Ask the entrepreneur to ask open questions using “Who? What? Why? Where? When? How?” For example, “How satisfied are you with the product?” INSTEAD OF “Are

- you satisfied with the product?" **Do not** ask **yes/no** questions.
- Assure the entrepreneur not to hesitate to ask successive questions while keeping in mind that the questions must be asked one at a time. For example, "How much do you get in profit from each order", INSTEAD OF "How much do you get in profit and how much do you spend for transportation cost?".
 - Ask the entrepreneur to thank the consumers or key informants he/she has interviewed for their time and patience. If the interview goes well, kindly ask if it is possible to visit them again.
 - Have the two players start the market appraisal interview simulation. Ask the other participants to evaluate the interaction and suggest ways to improve the interview. Record all opinions and suggestions on flipcharts

Day 2, Step 7: Performing Field Practice

Interviewing Consumers and Key Informants



Objective

- To perform field practice for rapid market appraisal.



Room Arrangement:

- Outdoor



Necessary Materials:

- Stationery, product samples to bring during survey



Time

- 180 minute



Steps:

- Ask entrepreneurs to go back to their groups.
- Ask each group to start conducting rapid market appraisal and interview key informants and consumers according to plan. When interviewing, refrain from approaching the same potential consumers repeatedly.

Day 3, Step 1: Presenting the Results of Rapid Market Appraisal

Presenting the Results



Objective:

- Participants gain feedback from the rapid market appraisal they have carried out.



Room Arrangement:

- U shape

**Necessary Materials:**

- Flipcharts, flipchart boards, markers

**Time**

- 60 minute

**Steps:**

- Distribute flipcharts to all groups, then invite representatives from each group to provide these pieces of information in their presentation:
 - Who are the key informants and consumers surveyed?
 - Is there a market for the product?
 - Who would become the consumers?
 - What kinds of needs are addressed by the product?
 - What do consumers want from this product? (quality, price, package, how and where it is sold)
 - What do you know about the product design?
 - Who is the most vital key informant?
 - What sort of information does he/she provide?
 - Give details of the information provided.
- Invite participants to give comments on each of the group presentations. Record the suggestions or comments on each group's flipchart

Day 3, Step 2: Analyzing Results and Developing Plan**Analyzing Results and Developing Plan****Objective:**

- Participants are able to formulate realization design for innovative ideas for new products based upon the feedback from rapid market appraisal.

**Room Arrangement:**

- U shape

**Necessary Materials**

- Flipcharts, markers and flipchart board

**Time**

- 60 minute

**Steps:**

- During the session for comments on each group presentation, elicit also, from the presenting group, constraints or challenges associated with product realization. The product probably requires equipment unavailable to entrepreneurs, materials not easily accessible or initial funding.

- b. Identify similar problems faced by more than one entrepreneurs and invite participants to brainstorm to find solutions.
- c. Divide participants into the same groups as previously, and then distribute flipcharts and markers. Ask them to discuss and formulate a plan for product development realization following rapid market appraisal. The plan should cover the answers to these questions:
 - What are the issues to be addressed / challenges in making the new products? What are the solutions?
 - Identify the equipment, materials and skills required and how to obtain them. Elaborate in details, as if you were to prepare the product.
 - Where are you going to sell it?
 - How would you pack and promote the product?
 - How long does it take to finish it?
 - How much is the production cost and how would you cover the cost?
 - What is the cost of materials, equipment, and training (should it become necessary)?
 - What about the supply of materials for production? Who are the suppliers of your production materials?
 - Are there any special requirements with respect to storage, transportation and use of those materials? (E.g. bags made of pandanus leaves require draining by means of sunlight so that production can only take place during dry season)
- d. Have each group deliver a presentation. Invite other participants to comment on each presentation.
- e. Explain the possibilities for participants to gain support for the realization effort to produce samples of the new, innovative products. If the training is conducted with financial support from non-governmental organizations or micro and small business associations, participants may be able to contact those institutions asking them provide a part of the cost of developing samples of products that have been surveyed during the rapid market appraisal. In return, the micro and small entrepreneurs sponsored by those organizations or associations will pay for the rapid market appraisal training with their own money. Developing sample products is an investment that will return in time. Even though planning for and developing samples are processes which are not covered in this training, participants should understand that they need to apply the results of their market appraisal. Rapid market appraisal is at times greatly enhanced when product samples are made prior to undertaking the survey in that during the field survey and interview, consumers and key informants will be able to see and observe the product more clearly. However, samples need to be improved following the rapid market appraisal, on the basis of the feedback gained from consumers and key informants.

Chapter 4. Evaluating the Process of Rapid Market Appraisal Training

Evaluating the training



Objective:

- Participants are able to evaluate the training process and its effects.



Room Arrangement:

- U shape



Necessary Materials:

- Flipcharts, flipchart boards, markers, double tape, scissors



Time

- 30 minute



Steps:

- Explain that it is important to monitor successful rapid market appraisal training and to evaluate its results. This will build your skills as a trainer to gradually improve the content and the delivery of the training. In addition, it will help you in encouraging micro and small entrepreneurs and their supporting organizations to promote and apply rapid market appraisal.
- Explain that two parties should be involved as a minimum in the monitoring and evaluation of this training. You as a trainer have the obligation to ensure adequate monitoring and evaluation. Micro and small entrepreneurs definitely also want to give their inputs. When supporting institutions are involved, i.e. non-governmental organizations or micro and small business associations, they must be encouraged to support and take part in the monitoring and evaluation activities. Ideally, supporting institutions can provide fund for independent monitoring to be implemented two to six months following the training. This will give micro and small entrepreneurs some time to develop and market their product samples. That amount of time allows for acquiring some indications of how well is the sales of the samples after the rapid market appraisal.
- Request participants to fill out the database sheet since the form would be useful for future evaluation. The database includes:
 - Type of business run by the micro and small entrepreneur;
 - How long the business has been in operation;
 - How many employees (part-time as well as full-time) employed;
 - Average monthly profit;
 - Seasonal profit fluctuation;
 - Line of products currently being sold;
 - How the product is marketed.
- Ask them to provide feedback for you. Write the answers to these questions on a piece of flipchart
 - What do you like most from the training?
 - What do you not like most?
 - What can be done better and how?
 - What are the benefits the training has provided for you? (Possible answers include new product ideas, new marketing ideas, new consumers, better consumers' understanding.)
 - Would you recommend this training to your colleagues?
 - How much are you willing to spend in order to enroll in the training?
 - What is your monthly sales rate? (at the time of the training)

***Evaluation
and
Monitoring of
the Effects of
the Training***

Conclusion: Post-training Evaluation



Objective:

- Trainer will identify the effects of the rapid market appraisal training on the participants.



Necessary Materials:

- List of questions, stationery



Time

- 180 minute



Steps:

- a. Explain that post-training evaluation needs to be undertaken no later than a few months after the rapid market appraisal training. Ideally, evaluation must be carried out within three to six months time after the training by an uninterested party. If the rapid market appraisal is implemented for trainers or business development service institutions, you must be interested in knowing the number of entrepreneurs they have trained. You will as well want to know if they have made the effort to measure the impact of the training on micro and small entrepreneurs, and encourage them to do so if that is not the case. Work together to interview micro and small entrepreneurs to achieve a better picture of the effects of the training.
- b. When training participants have recorded the sales of the products developed during the training, it will serve as extremely valuable information for quantifying the benefits of the application of rapid market appraisal. Estimate of increase or decline in profit will generally be more difficult to be considered as a result of applying rapid market appraisal. External factors must be taken into account, including seasonal fluctuation or changes in local economy. Having a control group in place is the most accurate way to set the external factors aside.
- c. When interviewing micro and small entrepreneurs on the effects of rapid market appraisal, bring along the checklist of the matters you want to find out about. Take caution not to insist on answers. Follow the same guide to enquiry as what you have taught the entrepreneurs when interviewing consumers and other parties. Implement sensitive interview; ask clients with careful approach what they have gained from the training and how they have changed ever since. It will allow for more accurate response. The checklist is as follows:

- What have they gained from the training? (E.g. new, better product, number of sales, new consumers, increase in the number of workers, part-time and full-time, new ideas for production method, new information regarding where to obtain equipment, spare parts, materials or other services, new marketing ideas, increased enthusiasm and confidence, new relations – the chance to share equipment, market or sources of inputs)
- From all of the above, what is the most valuable and useful for their businesses?
- Have they implemented rapid market appraisal on their own after completing the

training? If yes, what are the results?

- Are they planning on implementing subsequent rapid market appraisal on their own?
- Will they recommend rapid market appraisal training to their colleagues?
- What is the percentage of their income that they are willing to spend to be able to participate in the training? (provide a range of different price categories)
- What are the things that should be done differently in the future?