Training Manual

on

Entrepreneurship, Record Keeping and Marketing

Strengthening Vegetable Value Chains Project for Greater Community Benefits (SVVCP)

CABI CWA

Contents

Module 1: Entrepreneurship

Estimated time required: one hour
Methodology: interactive

Learning Objectives :

By the end of this module, learners will:

- Understand the meaning of “entrepreneurship” and “entrepreneur”
- Assess the qualities of an entrepreneur
- Understand the concept of perseverance
- Build self-confidence
- Be clear about your reasons for wanting to start a business.
- Understand the pillars to turn your vision into reality.
- Test your business idea.

Definition of entrepreneurship

Entrepreneurship is a process of identifying and starting a business venture, sourcing and organizing the required resources and taking both the risks and rewards associated with the venture. *Source http://en.wikipedia.org/wiki/Entrepreneurship.*
Entrepreneurs are innovators who use a process of changing the current situation of the existing products and services, to set up new products and new services.
Source: www. econlib.org/library/Enc/Entrepreneurship.html.

Entrepreneur

An entrepreneur is any person who creates and develops a business idea and takes the risk of setting up an enterprise to produce a product or service which satisfies customer needs. Entrepreneur refers to the person and entrepreneurship defines the process. Both men and women can be successful entrepreneurs; it has nothing to do with gender. All entrepreneurs are business persons, but not all business persons are entrepreneurs.

An entrepreneur is an individual who:

- Has the ability to identify and pursue a business opportunity;
- Undertakes a business venture;
- Raises the capital to finance it;
- Gathers the necessary physical, financial and human resources needed to operate
- The business venture;
- Sets goals for him/herself and others;
- Initiates appropriate action to ensure success; and
- Assumes all or a major portion of the risk!
    - An entrepreneur is a job-creator not a job-seeker.
    - An entrepreneur is a person who:
- Has a dream.
- Has a vision.

- Is willing to take the risk
- Makes something out of nothing

BUSINESS SKILL

There are two kinds of entrepreneurship ventures:
1. Those that succeed.
2. Those that fail.

Everyone dreams that his/her business will be successful. We should look at the foundation of building up a good business; there are four pillars that could ensure that a business succeeds.

Pillars of entrepreneurship success

What makes a successful entrepreneur?

1. An idea and market
2. Skills/knowledge and experience
3. Resources
4. Motivation and hard work

Successful entrepreneurs have these four attributes. Without any of them, your business will be unstable.

1. **AN IDEA AND MARKET**:
   An idea is the kind of business you want to do and market is the people who will buy your products or services. A good idea is the basis of a successful venture while the availability of a market is the indicator of the sustainability of the business venture.

Discussion: Market visit

2. **SKILLS/ KNOWLEDGE**: This refers to several business skills. (We need both theoretical and practical skills). Do we know how to produce quality products for our market? We also need business management skills. Do we know how to keep basic records so that can assess the profitability of our business? Most importantly, we know our **MARKET**. What are our customers looking for? Do people want our service or product? How are we going to inform people that we have what they want? Who will be our customer? And how will our goods get to the market? **HARD WORK**: working consistently every day. Making money in business largely depends on you. Are you there to open your business every day? Can people rely on you? Do you sell a quality product or service consistently?

Discussion: Training from SAU

3. **RESOURCES**: How much **MONEY** do you need to start your business? The money you use to start your business is called your capital. It often takes a lot less money than you expect, the profits to be realized is what you should use to grow your business. ***Starting small is the key for great entrepreneurs***. Most people only talk about the business they want to start. Take some time and reflect on these things before you start.

Discussion: Using a chart, discuss the expenses occurred, income received, profit or loss. How much money is required to begin the business? Who is willing to contribute?

4. **Motivation and Hard work:** Motivation is the urge to accomplish goals. Hard work is the effort put in to complete the tasks.

Discussion: Discuss how many members are motivated? How many members are interested to work and take different roles?

Module 2 Record keeping

Required estimated time: 4 hours
Methodology: Interactive

Learning objectives:

By the end of this module, learners will be able to:

- Describe the importance of record-keeping in their business
- Apply the various forms of record-keeping
- Learn to assess if your business is profitable

What is bookkeeping?

The bookkeeping system refers primarily to **recording** the financial effects of **financial transactions** only.
In the normal course of business, a document is produced each time a transaction occurs. Sales and purchases usually have invoices or receipts. Deposit slips are produced when lodgments (deposits) are made to a bank account. Cheques are written to pay money out of the account. Bookkeeping involves, first of all, recording the details of all of these source documents into multi-column journals (also known as books of first entry or daybooks).
For example, all credit sales are recorded in the sales journal, all cash payments are recorded in the cash payments journal. Each column in a journal usually corresponds to an account. In the single entry system, each transaction is recorded only once. Most individuals who balance their cheque-book each month are using such a system, and most personal finance software follows this approach.
The difference between manual and any electronic accounting system stems from the latency between the recording of the financial transaction and the posting in the relevant account. This delay, lacking in electronic accounting systems due to the immediate posting into relevant accounts, is not replicated in manual systems, thus giving rise to primary books of accounts such as Sales Book, Cash Book, Bank Book, Purchase Book for recording the immediate effect of the financial transaction.

Bookkeeping means that you write down all of the money that comes into your business and all the money that goes out of your

Why bookkeeping?

Many people do not write down how much money comes in and how much money goes out of their business. This is because they do not know how to do it, and they do not know that it can improve their business. Therefore, people do not exactly understand how much money they are earning, how much customers have bought on credit and how much stock they have bought on credit. Where groups of people work together, lack of a proper bookkeeping system often leads to mistrust and accusations between group members. Bookkeeping is beneficial because you cannot keep everything in your head. People is careless by nature.

Value of bookkeeping to your business?

- You will know how much money you have received,
- You will know how much money you have spent and how you have spent it;
- You can calculate whether you are making a profit or a loss;
- You will be able to make better decisions on what to buy and sell;
- You can keep records of buying and selling on credit, so that people cannot trick you;
- You can keep records of money coming in and going out of a group project and thus prevent abuse of funds and avoid mistrust amongst group members.

Advantages of keeping records

- Record-keeping is crucial because you cannot keep everything in your head.
- Memory is not good enough for proper research and planning.

Advantages of regular record-keeping

- You will know how much money you have received, how much you have spent and how you spend it.
- You can calculate whether you are making a profit or a loss and also know your break-even point.
- You can keep records of buying and selling on credit. That is, you will know whom your debtors are and how much they owe you, and who your creditors are and how much you owe them.
- You can keep records of money coming in and going out of group businesses or projects. This will prevent misuse of money and avoid mistrust among group members.
- It can help you in the monitoring and controlling of your stock levels, knowing when to make a new order and how much to order.
- By comparing your actual record with your planned budget, you can determine if you are on the right track during your business year.

Disadvantages of not keeping records or keeping poor records

- You will not know how much money you are earning, whether your business is making a profit or losing money.
- You will not know why you are making a profit or losing money.
- You will not be able to make good decisions that will allow you to make more money and save your business from losing money.
- You will not know which customers owe you money, how much they owe you or how much you owe someone else.
- Where groups of people work together, lack of a proper record-keeping system often leads to mistrust and accusations between groups and members.

What records should be kept

These are some of the record books needed for good record keeping:

- Cash Book

- Inventory Record
- Credit Record
- Debtor Book
- Labor Book

The Cash Book

The book in which we write all the money that comes in and goes out is called a '**cash book**'. You can use an regular arithmetic exercise book as a 'cash book'.
All **money that comes in** is written on the **left page**
All **money that goes out** is written on the **right page**

CASH BOOK FOR THE MONTH OF ....YEAR.........			
DATE	PARTICULARS	REVENUE	EXPENDITURE
	Opening balance	XXX	
	TOTAL		
	Closing balance	XXX	XXX

Inventory record

An Inventory Record: keeps a record of physical items that your business has at any point in time. It includes what you had at the beginning of the year, what has been added to those items through purchases and production and how much has left your business through sales, consumption, planned use or losses.

Example of inventory record

No.	Description	Qty	Beginning	Purchases	Sales	Loss
1.	Computers	5	5	2	1	1
2.	Printers	6	2	4	2	2

Credit Book

A Credit Book: Keeps the record of all the money the customers have to repay for goods and services purchased on credit.
Transactions for credit book

1. June 2, 2011 Credited 5 kg of pickle for Rs. 1000 to Mr. XYZ to be paid in 15 days.
2. June 15, 2011 Ghazi credited 2 bottles of pickle costing Rs 200 from Asif
3. June 20, 2011 XYZ took 3 Bottles of pickle for Their shop on credit for Rs 300

Example of Credit Book

CUSTOMER CREDIT BOOK NAME:________________________ ADDRESS:______________________					
DATE	**DESCRIPTION**	**CREDIT**	**PAYMENT**	**BALANCE**	**SIGNATURE**
June 2, 2011	5 gallons of honey	LD 900	0	LD 900	
June 15, 2011	2 Baskets of snails	LD 800	0	LD 800	
June 20, 2011	3pcs planks	LD 500	0	LD 500	
	Total	**LD 2,200**	**0**	**LD 2,200**	

Debtor Book

A Debtor Book: Keep a record of all whom the business owes (those who have supplied goods and services to the business on credit).

Transactions

1. June 2, 2011 Credited 5 gallons of honey for LD 900 from Fatu Business Center to be paid in 15 days.
2. June 15, 2011 Siah Enterprise credited 2 baskets of snails costing LD 800 from Jumah Business Enterprise.
3. June 20, 2011 Flomo Inc. took 3 pieces of planks for Dweh Plank Center on credit for LD 500

Example of Debtor Book

DATE	DESCRIPTION	DEBT	PAYMENT	BALANCE
June 2, 2011	Fatu Business 5 gallons of honey	LD 900	0	LD 800
June 15, 2011	Siah Enterprise 2 Baskets of snails	LD 800	0	LD 800
June 20, 2011	Flomo Inc. 3pcs planks	LD 500	0	LD 500
	Total	**LD 2,200**	**0**	**LD 2,200**

Labor Book

A Labor Book: keeps a record of who had worked for you, how much they have worked (number of hours, days or quantity of work done), how much they were paid and when they were paid.

Transactions for labor book

On March 2, 2011, Yarkpawolo Kollie cut down trees for construction of bee keeping material for Lorpu in the amount of LD 900 for 3 hours.

March 12, 2011 Dweh Dartu brushed Fatu's farm for the amount of LD 700 for 2 hours.

March 23, 2011 Tarnue Zolu prepared snail raising materials for Kuma Saah for LD 600

Date	Description	Hourly work	Amount
March 2, 2011	Yarkpawolo Kollie	3 hours @ LD 300 per hour	LD 900
March 12, 2011	Dweh Dartu	2 hours @ LD 350 per hour	LD 700
March 23, 2011	Tarnue Zolu	2 hours @ LD 300 per hour	LD 600
Total		**LD 2,200**	

Daily Sales Record

DAILY SALES RECORD FORM

This form is used to record all daily sales. It helps to establish the total sales per day.

DAILY CASH RECORDS

DATE......................

S/N	PARTICULARS	QUANTITY	PRICE	AMOUNT
	TOTAL SALES			

Receipt Book

RECEIPT BOOK

The receipt book records money coming in (income of the business).

NAME OF BUSINESS ADDRESS TIN 000-01100 DATE........................ Received from .... Being payment of.. Amount in words.. .... Amount in figures Signature of receiver

Stock Book

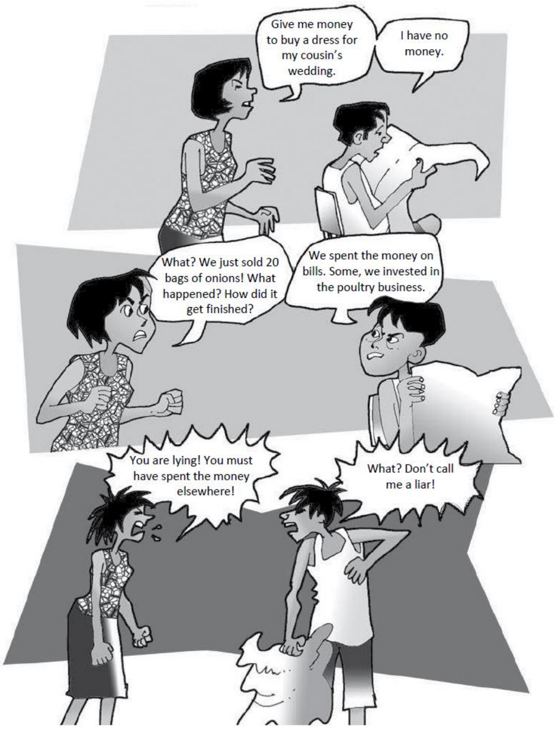
STOCK CONTROL

STOCK CONTROL DATE....................MONTH.......................YEAR...........................				
DATE	PARTICULARS	STOCK IN	STOCK OUT	STOCK BALANCE
	Opening balance(bal b/d)			
	Closing balance			

CONDUCT SOME CASE STUDY / ROLE PLAY / VEDIO

Role Play about Record Keeping

Argument between Juan and his wife Marsha



Module 3: Cost / benefit analysis and profit calculation

Required Estimated Time: 3 Hours

What is Income?

Income is the consumption and savings opportunity gained by an entity within a specified time frame, which is typically expressed in monetary terms. However, for households and individuals, "income is the sum of all the wages, salaries, profits, interest payments, rents and other forms of earnings received in a given period of time." For firms, income generally refers to net-profit: what remains of revenue after expenses have been subtracted. In the field of public economics, it may refer to the accumulation of both monetary and non-monetary consumption ability, the former being used as a proxy for total income. Income is money that comes into your business.

How does Money come into your Business?

- By producing and selling goods
- By buying and selling goods
- By giving a service (like a taxi driver who provides transportation)
- By receiving gifts from friends or family members
- By getting a loan
- By inheritance

Other Income Activities

- Producing and selling palm oil
- Drying and selling fish
- Producing and selling bread
- Weeding mats
- Producing and selling cassava
- Producing and selling rice
- Receiving donations

What is an Expense?

Expense is money spent or cost incurred in an organization's efforts to generate revenue, representing the cost of doing business. Expenses may be in the form of actual cash payments (such as wages and salaries), a computed expired portion (depreciation) of an asset, or an amount taken out of earnings (such as bad debts). Expenses are summarized and charged in the income statement as deductions from the income before assessing income tax. Whereas all expenses are costs, not all costs (such as those incurred in acquisition of income generating assets) are expenses.

How does Money goes out of your Business?

- Materials or ingredients (like fish and firewood for fish smoking, fabric for Dress making, flour for bread baking);
- Services like: Transport (taxi, bus)
- Market toll
- Electricity bills
- Rent payment
- Wages and salary payments

Other Expense Activities

- Purchase of materials
- Office supplies
- Payment for goods

What is Profit?

Profit is the investment **gain** or **reward** that entrepreneurs aim to get to reflect the **risk** that they take. Profit is also an important signal to other providers of funds to a business. Banks, suppliers and other lenders are more likely to provide finance to a business that can demonstrate that it makes a profit (or is very likely to do so in the near future) and that it can settle debts as they become due. Profit is also an important **source of income** for a business. Profits earned which are kept in the business (i.e. not distributed to the owners via dividends or other payments) are known as **Retained Profits**.
Retained profits are an important source of income for any business, but especially start-ups or small businesses. The time a product is sold for more than it cost to produce it, then a profit is earned which can be reinvested.
Profit can be measured and calculated. So here is the formula:
PROFIT = TOTAL SALES less TOTAL COST

How to Calculate Profit or Loss

Record all business transactions. A profit and loss statement should not be created until all transactions for the period have been recorded and posted into the appropriate accounts in the company's general ledger.
The statement iincludes the title and period. When creating a profit and loss statement, the document is titled at the top of the page with "Profit & Loss Statement." Under the title, include the period of time that the statement covers. A profit and loss statement normally covers one month, one quarter or one year. This is written using words such as "For the Month Ending January 31, 2019."

Introduction to Costing

To be able to set your prices and making financial plans, you need to calculate the cost of manufacturing or providing your products or services. Costs are all the money needed to operate your business. Costing is the way you calculate the total cost of making or selling a product, or providing a service. It will allow you to calculate the net profit you can make from your business.

What is costing?

Costing is the process of establishing the exact amount paid to produce or provide a product or a service.

Importance of costing

- To determine what price you should sell your product/ service
- To evaluate how much profit/loss your business is making
- To know which items cost too much so that you can develop alternative ideas.
- To find out how much each product/service costs

Costing helps your business to:

- Set competitive prices for your goods and services.
- Reduce and control costs
- Make better decisions about business.
- Plan for future needs of the business.

Types of costs

1. **Fixed costs**

These are costs that do not change with the level of production. They are incurred even if no production takes place e.g. rent of premises.

2. **Direct cost**

Direct cost refers to costs which are directly connected with the production of products or services. Examples include the cost of raw material, stock, cost of labour (wages), transportation and handling expenses

3. **Variable costs**

These are costs that are directly related to the level of production. They increase or decrease in direct proportion to the level of production. For example: raw materials, stock, cost of packaging, transport, handling of goods and electricity (if machines are used).

4. **Indirect cost**

These are costs that relate to the running of the business but not directly to the production process. Examples include maintenance costs, equipment, electricity, and interest on the loan.

Product Pricing

Prices of products and/or services:

Pricing is the monetary value of a product or services that you charge to cover your total costs (direct and indirect costs) and profit that you desire on each unit of product or service.

Mark Up

When you add a certain percentage of profit desired on the sale of a product or service, it is called a mark up. For example: If you desire to mark up the cost of a wooden cupboard by 20% and it cost you 13,000 to make, the following is the calculation;

Your cost =13,000/
Mark up - 20% =2,600/
Selling price **15,600/=**
Your selling price =15,600/=
Cost =13,000/=
Profit =2,600/=

Price is important in all business ventures. This is because it determines the profits that the entrepreneur will make. In setting the price, one has to make marketing mix decisions, estimate the demand curve, calculate the cost, understand the environmental factors, set pricing objectives and determine the selling price.

A formula that articulates how to estimate the selling price is:
Selling price = cost of goods sold/unit + Operating costs/Unit + Desired profit/unit
CONDUCT SOME CASE STUDY / ROLE PLAY / VEDIO

Profit sharing

Financial Agreements

- What are the financial considerations for your group?
- How much capital is each person able to invest?
- What contributions of labor or capital is each person willing and able to commit?
- What are the financial needs of each of your members – if entering an income-generating venture, what do they absolutely need to make from the business?
- What are their financial goals for the business?

Working with different levels of investment

Some members of a group may have more to contribute. One member may have significant equity already in land or a business and is looking to bring in partners. There are a ways to work with disproportionate ownership and still operate on an even keel, including some of the options below.

Allocating Profits and Losses

On what basis will you distribute profits and losses among the members? A cooperative operates at cost and distributes profits and losses back to the members based on use. Any remaining costs or surplus are passed on to the owners in proportion to how much they've worked (worker cooperative), sold (marketing cooperative) or purchased (consumer cooperatives, service and supply).
A co-owner of a group or partnership is not an employee and therefore does not receive a salary. The owner takes as income the gains of the business, thus profits and income are

synonymous in these cases. A group with multiple owner-managers would divide the profits of the business as their income. How they divide that income is entirely up to them.

Re-investment in business

The purpose of reinvesting income is to improve a **business** so that it makes even more money in the future. Shareholders could make a minimal return on their money by simply investing it in a savings account.

Module 4 Market and Marketing

Required estimated time 2 hours

Market is a physical place where buying and selling of produce or services take place. There is a hand over of produce or services to each other or the market is the place where the exchange of produce and services takes place. The market is made up of buyers, sellers, products and prices. Marketing is a set of activities that direct the flow of produce and services from producers to the end users or customers. Marketing is the process of exchange between the producer (farmer) who sells, and the consumer who buys.

Market

- What are the regional scope, size and growth of the overall market? What factors are driving growths?
- Are there any value chain industry trends such as use of newer inputs or production techniques, new standards, entries or exits from the farming business?
- What are the pricing trends in the market?
- How have prices changed historically and what influenced the price changes?
- Are there any special characteristics such as seasonality, volumes, number of customers, number of input suppliers, etc? If so please explain.
- Describe any special laws or regulations that apply to the value chain and any government policies or actions that specifically affect the sector.
- What are the main distribution channels for the produce or services? How much do middleman or distributors control the market?
- How much value do they capture?

Customers

- Who are the primary customer segments?
- How does the customer pay?
- What are these customers looking for in terms of produce or service?
- What are projected future demands and why? Is there sufficient demand for the produce or service?
- Indicate what methods were used to assess the market demand.

Competition

- Who are the primary competitors, what are the relative strengths and weaknesses? i.e., location, technology, farming practices, quality, volume, price, cost etc. The tools for market research are listed

The marketing mix

Marketing involves planning for efficient production, storage, processing and packaging, promotion and moving produce from farms to consumers.

Product

Product refers to the produce that the individual/ group is producing for sale to earn income. Typically for rural farmers this could be seed potato. It can be measured by different units and can make different characteristics I.e., Kg, monds, ton, etc. In product management, we have to keep asking ourselves “are we producing the right products, the products our targeted market values and is willing to pay?” If the product is not right, all the rest is falling apart.

Place

Place is the process of moving products from the producer to the intended user. This movement could be through a combination of intermediaries such as distributors, wholesalers and retailers. Producers have to ask “are we delivering our products effectively and efficiently to our customers?” For perishable products, maintaining quality through the supply chain is a critical part.

Price

Price refers to the monetary value of the specific value chain produce. It is cost at which the buyers are willing to pay for the specific value chain produce. Sellers always strive to sell at a price that offsets costs of production with a mark-up that constitutes the profit. Therefore, understanding your cost structure of your product, your competitors in the market and market demand are fundamental in your pricing.

Promotion

Promotion is about the activities carried out by producers to communicate with their targeted markets. Promotion can take place in the forms of advertising, personal selling or sales promotions. One should therefore strive to promote the produce in the most appropriate way possible in order to boost sales and incomes. It is important for FEGs to enhance the ability to identify market demand of their respective value chain, to make decisions about production in relation to volume and quality, and to develop business relationships with customers and traders. The ability to organize collectively for product aggregation is key success element, the understanding of the importance of, and knowing how to access timely.

Buyers Identification

Group or Collective marketing?

This means that all members of agribusiness value chain FEGs gather their produce (like vegetables, chili, citrus, banana, seed potato, grapes, meat and apricot) together and market collectively. Collective marketing is one of the ways FEGs increase the volume of their produce through the bulking. By working collectively farmers can also improve the quality of their produce by growing the same variety, synchronizing the farming operations and collectively sorting and grading their produce. The FEGs can also improve the post-harvest handing through acquiring central storage facilities especially in case of vegetables and citrus. In short, it is always wise and profitable for the farmers if they collectively market their produce rather than selling individually so that cost can be minimized and profit increased. (FEG=Farmers enterprise group)

CONDUCT SOME CASE STUDY / ROLE PLAY / VEDIO

The Sales Cycle

There are four distinct phases in sales process.

Prospecting

The process of locating the names and phone numbers of potential clients.

Cold Calling

The process of contacting prospects, locating the decision-maker and pre-qualifying suspect accounts.

Selling

The process of convincing a potential client that we have a reasonable solution that will meet his or her needs.

Relationship Building

The processes of solidifying a long term relationship with a client that is built on trust and good account maintenance.

Module 5 Business plan

Estimated required time 2 hours

Learning objectives:

By the end of the module, participants will be able to explain the value of having a business plan, understand what a business plan is and how to develop a simple business plan

Business plan

Definition: A business plan is a written summary of your proposed business. It includes information about the plans, operations and financial details, its marked opportunities and strategies, as well as the entrepreneur's personal background A business plan is a document used to summarise an entrepreneur's business aspirations, secure legal authority and mobilise resources to launch the business. Just as you need a map to help you find the route to an unknown destination, you need a plan to help you determine in which direction to go to get your business up and running. Written document explains your overall strategy and objectives in words and numbers. Your first plan should estimate your goals, your expenses, and how much you plan to charge for your services. It should also show how you plan to attract and keep customers. After you actually begin your business, you will find that the plan needs to be reviewed on an on-going basis. A business plan is a changing, dynamic document. There are no guarantees that your business will succeed but a well-written and well-researched business plan plays an important role in a business's success.

Checklist for business plan: think about the following issues (not an exhaustive list).
The product

- Why would customers buy the product/service?
- Are the product specifications clear and acceptable?

T**he market**

- Geographical description of the business location
- Is there local demand for the product and if not, how can it be created?
- Who are the big competitors, how can you counteract them and their influence?
- How many competitors does the business have? If they are many, your market share is low, which means that aggressive promotion is necessary to ensure visibility.
- Does your product need publicity and if so, what expenses would that incur?
- What is the trend in the selling price? Is there any seasonality?

Technical factors

- Have you selected all the necessary equipment? What are your reasons for this selection?
- If you buy machinery, check if you have a guarantee and if after sales service is
- included.
- Do you know where to source the equipment from? Who is the supplier?
- Do you have the necessary skills and if not, where can you get them?

Infrastructure

- Is the working/selling space adequate for your business operation to function?
- Are ownership/tenancy documents for the land/shop/workshop in order?
- If water is required for your business to operate, is it available close by?

- Do you have/need a supply of electricity?
- Is transport of raw materials or finished goods a critical factor and if so, how do you
- plan to handle it while minimising costs?
- Do you need to register your business? What are the legal requirements?

Financial analysis

- Have you done financial calculations of needed costs, resources, income etc?
- Have all the costs of production been included in your calculations?
- Does the business generate enough cash from the beginning so as to meet immediate liabilities (e.g. rent, loan repayment).
- Check your cash flow projections. Are they realistic?
- Check all estimates of capital required as well as running costs.

Contents of a business plan

1.	**General description of business**	• Name of business, business location and address • Nature of business activity • Type of business organisation (partnership, cooperative, • new, old,) • Any further explanation summarising why the business • will be successful
2	**Personal Background**	Name of business owner(s), promoter(s) • Educational, professional background • Relevant experience in business-related activities
3	**Market plan**	• Business market area and targeted customers/ customer • groups • Why you will be able to compete with existing products/ • services and how do you compare competitors (price, • quality, appearance, performance,) • Past, current, future (projected) market demand for your • product/service (if possible in terms of volume/units per • day/months) • Suppliers and supply terms and conditions • Unit pricing and list of all items/services being offered • How you will be selling your produce (direct, dealers) • Tip: Include the market research survey report as an annex
4	**Business management plan**	Who will be the actors in this business • Specify their roles and the division of labour (if applicable) • How will the business work be organised (e.g. working shifts, working times, working conditions)
5	**Financial plan**	Investments required

		• Fixed assets/starting equipment (e.g. land, tools, machinery) Preliminary expenses • Pre-operative expenses (e.g. legal fees, licensing fees, bank charges,) Start-up expenses (e.g. water, electricity connection, cleaning of premises, etc.) Working capital (raw materials, rent, water, transport, etc.)
6	**Sources of raising Funds**	• Total requirements • Own contributions/investments • Family/friends contributions • Already secured loans, credits etc • Total funds available • Deficit/funding gap • Loan support required
7	**Operating plan Forecast**	• Projected operating income statement • Income from sales • Less cost of production and overhead/fixed costs • Net profit • Break even analysis • Cash flow projection
8	**Major assumptions**	Give the assumptions you've made that underpin your plan e.g. assumptions that particular resources will be available

References:

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