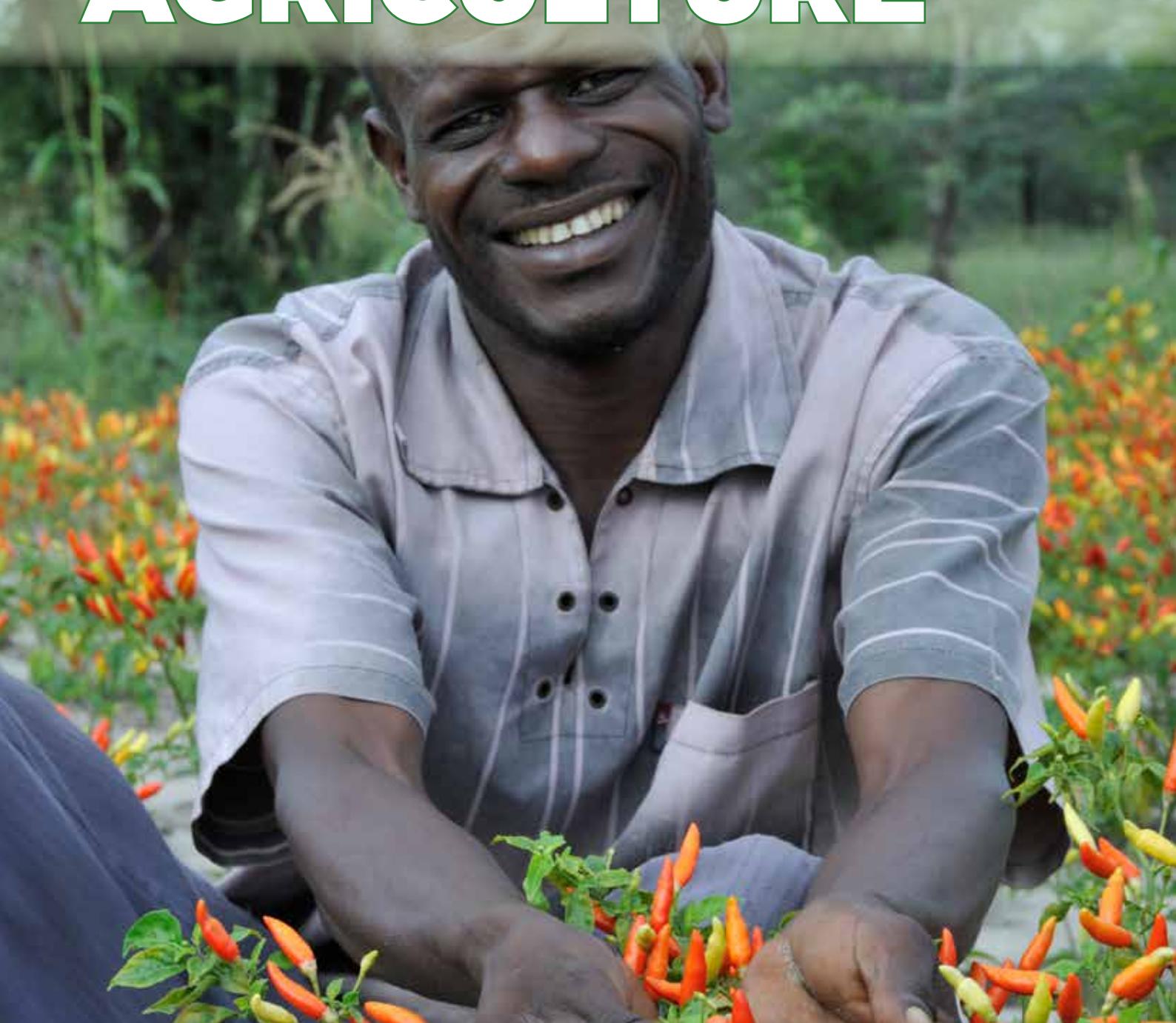


DOING BUSINESS IN CONSERVATION AGRICULTURE



Facilitator Manual

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ACRONYMS

AMTA	Agro-Marketing and Trade Agency
CA	Conservation Agriculture
IPM	Integrated Pest Management
IRDNC	Integrated Rural Development and Nature Conservation
NNF	Namibia Nature Foundation
SCP	Sustainable Communities Partnership
UNAM	University of Namibia
VCT	Vocational Training Centre
WWF	World Wildlife Fund

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- Module 2, 3 & 4 – SCP CA Manual (NNF 2016)

Introduction

Background

Farmers in the Zambezi Region have little outlook for cash crops. The major cash crop is maize, which is also the major subsistence crop. While the average rainfall in the Zambezi Region supports maize production, it is marginal; therefore, every few years or so maize production will be low. And when production is low, subsistence needs will naturally be more crucial than commercial activities, thus leading to disrupted supply chains. Projects in this region have encouraged the production of other cash crops (e.g. chilli), which have shown some modest success. But because of Namibia's small population, together with a small demand and small supply chain, markets are generally served by vigorous agricultural production from South Africa and Zambia. As a result, farmers in the Zambezi Region are faced with fairly modest market opportunities. While Conservation Agriculture (CA) does not forcibly have to be associated with cash crops – as noted above – ox and tractor tillage (which are the only methods to scale up CA) require some capital investment, which must come from commercialization.

A more market-oriented approach looks into promoting not only CA technologies, but also the increased use of improved agricultural inputs, diversification of on-farm revenue streams, and improved marketing of farm produce. A network of input agents and local ripping and manure delivery service providers is being established. These innovative approaches also help to get away from subsidies (the provision of seeds, fertilizer or tools to farmers). Avoiding subsidization of farmers' activities helps to avoid any false incentives that could undermine long-term adoption. The goal is to maximise interaction between the farmer and the input provider.

Instead of relying on lead farmers as volunteer extension agents only, partner firms selling agricultural input will be engaged in transforming lead farmers into input agents. The use of high-quality inputs will dramatically improve CA demonstration plots, which will be set up on a lead farmer/input agent's field rather than on communal plots. At the same time, these plots will be used as advertising to sell improved seeds. Seed input agents will thus generate an income from the sale of these seeds.

Increased access to inputs allows farmers who are interested in adopting CA to improve/mitigate soil fertility and increase production, thus augmenting the incentives for new farmers to adopt CA.

Lead farmers and other farmers who are interested are also encouraged to start small-scale enterprises that could advance the adoption of CA practices, especially for those who may be financially constrained or have limited labour. Specifically, there is a need to supply oxen-drawn ripping and manure transport services. Business Development Service (BDS) principles need to be applied in order to secure the market for these service provision ventures. The sale of inputs and services will lead to increased revenues for lead farmers and increased motivation to provide outreach. In time, this will ensure the long-term sustainability of CA.

Purpose of this manual

Working with partners

Greater focus on working with partners is a new model that has been introduced for CA in this project. This includes working with lead farmers, service providers, and seed agents. Seed input agents and service providers are small-scale enterprises.

Service providers are trained people who have embarked on a small-scale enterprise. They, for example, will use a ripper they have bought and their animals (mostly oxen) to provide ripping services to other community members at a cost. In

2018, the rate for one hectare to be ripped in the Mashi and Sobbe Conservancies was about N\$500.00; and in the Dzoti, Wuparo and Balyerwa Conservancies, the rate for one hectare to be ripped was N\$1000.00. These service providers operate independently from government ripping services, which helps farmers to become less dependent on the government and encourages business mentality within communities.

Seed agents are community members. These community-member seed agents are employed by a seed company; they are local experts on seed varieties; they educate farmers about the different seed varieties and their advantages and disadvantages; and they sell seeds. They generate a commission of 10% of the total sales under their agreement with the SCP CA partner ZamSeed, but this may vary according to the main partner.

The following figure illustrates the organisational breakdown of working partners.

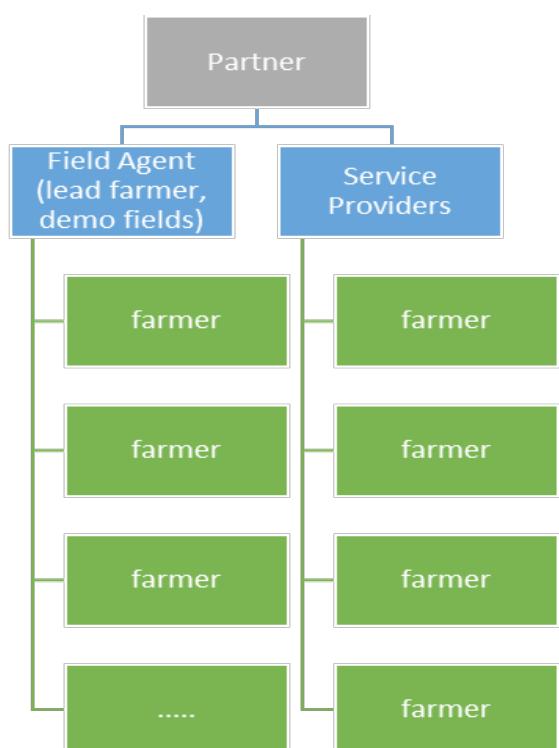


Figure 1: Organisational breakdown of working partners

This manual is intended to be used by business training facilitators to train potential seed agents, service providers, and other farmers

This manual consists of two sections:

1. Theory
2. Training

The Theory section focuses on three topics:

- 1.1 Basic Business Skills
- 1.2 Input Agents
- 1.3 Service Providers

1. Theory

1.1 TOPIC ONE

BASIC BUSINESS SKILLS



Think about your daily routine. Every place you visit and every business you connect with during the day exists because of an idea and an entrepreneur. Whether an entrepreneur comes from a family of business owners or is starting out alone with no previous experience, running a business requires a set of key skills.

Business is the activity of earning a profit by producing or buying, and selling (e.g. goods and services). Doing business does not necessarily mean that it has to be involved with a company, a corporation, a partnership, or any such formal organisation.

What are the necessary skills? How do you acquire them?

Running a small business often requires you to become a 'Jack-of-all-trades'. At the beginning, it is therefore important to know which skills you already have, and which skills you will either have to learn or delegate to others.

Key business skills include:

- Feasibility studies
- Costing and pricing
- Bookkeeping
- Budgeting
- Marketing

The project has introduced this component to fill the gap that has been preventing many farmers from adopting CA, and to train potential service providers on how to independently run service-based businesses. Additionally, it is also immensely beneficial to teach all farmers about the best budgeting practices. If farmers are able to improve the management of their money, both personally and business-wise, they could theoretically become financially stable and potentially invest in other agricultural ventures.

Feasibility study

Market analysis

FEASIBILITY STUDY

Whenever current or prospective entrepreneurs consider developing an idea into a business, they should conduct a feasibility study to determine whether or not that business is likely to succeed. Potential service providers for agricultural inputs are considered entrepreneurs.

A feasibility study should be able to provide answers to the following questions:

- Are you able to produce a product/service that people want to buy/hire?
- Can you sell/hire it out for a profit?

A business idea is feasible if 1) the entrepreneur possesses the knowledge, skills, and passion to undertake the business (do-able), 2) if there is a market demand or need for the product or service (marketable), and 3) if it has been determined that the

business will be able to operate at a profit (profitable).

The feasibility study addresses the following factors:

- Do-ability
- Marketability
- Profitability

Conducting a feasibility study includes the following steps:

- I. Choose a product to sell or service to hire out
- II. Decide if people will buy the product or hire the service
- III. Determine how the business will operate
- IV. Calculate the business expenses
- V. Estimate the profitability of the business
- VI. Determine if the business is a good idea
- VII. Seek funding
- VIII. Begin operations
- IX. Track business revenue and expenses

MARKET ANALYSIS

Before entrepreneurs can begin to sell anything, they need to understand their market: know who to sell to, and what to sell to them.

Resources such as surveys or focus groups can help entrepreneurs to estimate the market demand for their product or service idea.

To determine marketability, entrepreneurs should answer the following questions:

- What groups of the population are you trying to reach (e.g. gender, level of income, age, race, etc.)?
- Why do they buy/hire?
- When do they buy/hire?
- What are their expectations regarding quality, price, and service?
- What is the current and potential size of the market?
- How does your product/service compare to your competition?
- What are your competitors' strengths and weaknesses?
- What is your pricing strategy?
- How will your pricing enable you to penetrate the market?

Costing and pricing

In order to determine whether a business will be profitable or not, a potential entrepreneur must gather the costs of running the business and use this information to assist in the creation of prices. For service providing businesses in agriculture, there are only a few costs to consider: the cost of equipment, and the cost of labour.

Types of costs:

- Costs of Revenue (also known as Direct or Variable costs)
- Overhead costs / Indirect costs / Fixed costs

Factors which influence pricing:

- Costs
- Competition
- Customers' willingness to pay
- Positioning
- Profit

Bookkeeping

Bookkeeping is essential for general business operations. It helps the entrepreneur to keep track of the money and inventory that flows in and out of the business. As these books also help with understanding the health of the business, they enable the entrepreneur to make informed decisions.

Maintaining a Cash Book is important for the following reasons:

- Helps the entrepreneur to keep track of all transactions for transparency
- Mitigates the risks of human error
- Helps the entrepreneur to make better business decisions (especially regarding what to buy and sell/hire)
- Helps to secure grants or loans
(Financial institutions may need to see cash book entries before awarding grants or loans.)
- Reduces the risk of being cheated
- (Keeping records of credit sales can reduce the risk of people cheating the entrepreneur.)
- Assists profitability
(Ultimately, analysing all the data collected should help the business to become more profitable.)

Budgeting

A monthly budget helps a person to plan for how to spend and save money every month. It allows a person to keep track of spending patterns. It helps a person prioritise expenditures, particularly when there is not enough money to pay for everything that is needed (e.g. food, water and shelter).

Budgets can and should be made for both personal and business activities:

- A budget shows where a person needs to cut back, and whether a lifestyle change needs to be made.

- Personal money should be monitored and kept separately from business money.
 - If personal and business finances are mixed:
 - the entrepreneur will never know if the business is profitable;
 - the entrepreneur may be paying out-of-pocket to run the business; and
 - the entrepreneur will never know whether personal expenses have become burdensome.

Marketing

Marketing is the management process through which goods and services move from concept to the customer.

Marketing includes the coordination of the following factors (the **Five Ps**):

- Identifying, selecting, and developing a **product**
- Determining its **price**
- Selecting a distribution channel to reach the customer's **place**
- Developing and implementing a **promotional** strategy
- Presentation and attitude of the **people** (employees) involved in the business

It is important for entrepreneurs to consider the various components of each of the Five Ps to determine which overall marketing strategy will lead them to success.



NOTE

Before delivering the training content of this manual to seed input agents, all of them should have completed the Introduction to Conservation Agriculture, as well as Session One on Basic Business Skills in the Training section of this manual.

Introduction

The Input Agent Programme promotes rural-based entrepreneurs engaged in input supply value chains, and it aims to meet the target of increasing the accessibility of certified improved seeds to farmers in remote areas of the Zambezi Region, for effective Conservation Agriculture intervention and adoption levels within the donor funded project sites. Beyond the project's intervention timeline is an opportunity for Namibia Zamseed to strengthen its competitive and sustainable input distribution network (mainly seeds) at a business level with an increased volume of sales in the Zambezi Region, and to replicate the same strategy in other regions of Namibia, drawing from the successes and lessons learned in the pioneering region (Zambezi Region).

The pioneering programme (fully funded by the Namibia Nature Foundation), which involves recruitment and training of business and marketing experts from Namibia Zamseed, has set up a systematic way of penetrating rural markets with a tested rural-based Input Agent Entrepreneur Model. If successful, this model will go a long way in ensuring that Namibia Zamseed has a cost effective system for setting up viable business distribution networks for rural areas, thus increasing sales volumes while making certified improved seeds available to remote farmers at a competitive price.

This pioneered Input Agent Distribution Network is a work-in-progress, which needs to further strengthen the capacity of farmers to employ sound business practices and the infrastructure of the cost-effective rural shops. The demand for seeds in these remote markets is expected to swell, and the input agents need to be able to accommodate larger volumes of stock and sales.

This network designed for rural areas is destined to have a very visible impact, which should extend beyond the project's lifetime, since Namibia Zamseed plans to continue to employ these local agents.

Seed or Input Agents are supplied with seeds of different varieties according to their respective clusters. They will then regularly pay 90% of the sales to Namibia Zamseed. Given the need to reflect the business environment, the price list of the Input Agents will be different from the price list at the Namibia Zamseed office in Katima Mulilo. Thus, the 10% commission for seed agents will be based off the cluster-level prices, which are higher than those offered in Katima Mulilo.

The Input Agents will use the records introduced during training to manage stocks at cluster level, while Namibia Zamseed in Katima Mulilo will use a Tax Cash Sales Book marked 'Namseed Input Agents' to record sales and to reflect 10% discounts with regard to the submissions of each Input Agent.

Knowing your seeds

Zamseed Company Limited has maize varieties which cater for farmers' needs and environmental conditions (agro-ecological regions) of the country and the surrounding regions. Zamseed has varieties in the 400 series, which indicate early maturing; the 500 series, which indicate early to medium maturing; the 600 series, which indicate medium maturing; and the 700 series, which indicate late maturing. These hybrid varieties are resistant to all common maize diseases; and their cobs have good husk cover which protects the cobs from cob rot. These varieties also have grain types which are semi-dent to flint, which protects them from insect damage and allows for resilient storage and effective milling.

The Zamseed varieties which were marketed in the context of the SCP project are as follows:

- **Maize Seeds**
 - ZMS 402
 - ZMS 521
 - ZMS 606
- **Other Crop Seeds**
 - Pearl millet (*Pennisetum americanum*)
 - Sorghum
 - Groundnuts
 - Cowpeas (*Vigna unguiculata*)

WHY SHOULD WE GROW ALL THESE DIFFERENT CROPS?

Remember, intercropping and/or crop rotation is essential for Conservation Agriculture!

Let us look at these two practices again.

Crop rotation involves different crops being planted in succession in a defined sequence on the same piece of land. Crop rotation has the capability of reducing pests and diseases by breaking their reproductive cycles. It also has the potential to improve nutrient cycling in cropping systems if the species involved are of different rooting depths. If a legume such as cowpea is involved in the rotation, the succeeding cereal crop may benefit from the nitrogen fixing ability of the cowpea

Intercropping involves two or more crops being planted on the same piece of land at the same time. Intercropping can be a viable option in cases where farmers cannot practice full rotations due to certain circumstances (e.g. land holding size).

In some cases, a secondary crop may be introduced at a certain growth stage of the primary (main) crop. This type of intercropping is called relay cropping. Compared to mono-cropping, intercropping offers advantages such as the improved use of resources (e.g. nutrients, water, light etc.), reduction of potential total crop failure, provision of diverse nutrition, and improved mutual association between crops (e.g. between a cereal and a legume, where the cereal can benefit from the nitrogen fixation ability of the legume).

Marketing strategies

In order to sell seeds, you need to ensure that your customers see a need to buy them.

This need is created through supplying information about the seeds: Advertise the advantages of new seeds compared to traditional seeds.

Information/marketing campaigns can be conducted using the following strategies:

- In a community, it is always advisable to use **existing communication platforms** for your seed promotion. It can, for example, be arranged for information campaigns to coincide with community meetings, conservancy meetings, or church meetings. Talk to the organiser of the particular meeting, and ask for a slot on the agenda. Explain your intention and outline what you will be talking about. Agree to the time given to you, and do not exceed this allocated time.
- **Door to door sales** can be conducted.
- The possibility of holding **market fairs** can be explored.
- Providing information is one part of the essential advertising process. The other part is providing visual evidence of the advantages of these seeds. This is more convincing because it is a true-to-life visual example. It is therefore strongly recommended that input agents set up private **demonstration plots**, which can be used to showcase the differences in varieties and to test their success rates (as described earlier).



SALES TIPS



When it is time to sell, there are a few important pointers which you need to take into account.

The following list of sales tips is intended to assist you during this important process (they apply to all of the above strategies):

- Smile!**
 - ❖ The best way to make a great first impression is to always greet a potential customer with a smile.
- Know what you are selling**
 - ❖ If you do not understand the product, why should a potential customer trust that what you are selling is of good quality and/or worth their money?
- Selling is a repeat process – it is never-ending**
 - ❖ You can, and should, sell to the same customers in the future. If you have provided customers with a product they are satisfied with, they will most likely purchase from you again – especially if you actively remind them.
- Provide customers with a quote – immediately**
 - ❖ Customers may not know if they can afford your product, or whether they have enough money with them at the time. It is therefore very important to offer them a quotation in advance to allow them time to make a decision and to organise their finances.
- Sell to people who want to buy**
 - ❖ Do not spend all of your time talking to people who show that they clearly are uninterested in your product or to people who would have no use for it. For example, do not spend your time trying to sell seeds to a child in Grade 9.

f) Focus on the customer

- ❖ Sell your product to the customer based on what they really need.
- ❖ Offer customers suggestions that aptly match their requests:
 - Ask what they want the product for, or what they want it to accomplish.
 - Listen attentively — show the customer with gestures and responses that you are listening to them, and that you have understood what their requests or concerns are.
- ❖ If you take care of the customer, their money will follow.
- ❖ Make eye contact with the customer and radiate confidence.

g) Live up to your promises

- ❖ Living up to your promises builds trust with your customers, resulting in them being more likely to purchase from you in the future, and recommending you to their friends and family.
- ❖ If you have personal experiences using the product, share them with your customer. It may convince them to have more faith in your product.

h) Get sales targets that scare you

- ❖ You need to believe that you have the potential to reach high sales figures.
- ❖ Setting higher goals will force you to plan proactively and to take action.

i) Analyse your progress

- ❖ Determine which product sold the most, and which customers bought the most.



NOTE

Before delivering the training content of this manual to service providers, all service providers must have completed the Introduction to Conservation Agriculture training. Lesson 1 of the Service Provider topic should be completed first, then Lessons 1, 2, and 5 from Session One on Basic Business Skills in the training section of this manual, followed by Lesson 2 of the Service Provider training section. Lastly, the remaining business skills lessons should be introduced.

Preliminary considerations

Service providers are trained people who have embarked on a small-scale enterprise. They, for example, will use a ripper they have bought and their animals (mostly oxen) to provide ripping services to other community members at a cost.

ENTRY POINTS FOR BECOMING A CONSERVATION AGRICULTURE SERVICE PROVIDER

Most of the farmers who are interested in becoming service providers are people with an entrepreneurial spirit, and some of them have had experience in another business. They are looking for a new challenge and an extra way to earn an income. It is important that farmers who already own strong oxen and a plough frame are chosen to be ripping service providers. This reduces a few barriers when starting the business, particularly the start-up capital. Prior knowledge of CA is highly valued and preferred.

Other services to consider to be undertaken to promote the adoption of Conservation Agriculture:

- Manure transport services
- Herbicide application services

Local research has shown there is considerable interest in the market to hire manure transport services, as many farmers explain that they use little to no manure in their fields due to the difficulty of transporting it from the kraals (traditional pens for cattle). Farmers interested in pursuing this venture should have enough capital to purchase an ox-cart, which would be necessary to effectively carry out the service. Additionally, there is a popular concern that weeds are too difficult to control under CA; therefore, an option for herbicide application services could be an economical alternative that may promote CA adoption. However, research into the types of herbicides and country policies regarding usage needs to be undertaken before this idea is able to be implemented.

Service providers are expected to conduct and manage their businesses on their own, promoting community development. Therefore, it is essential that they receive basic business skills training, as well as technical service training. However, in order to hire out their ripping services to prospective customers, they must first be able to sell the idea of Conservation Agriculture to those who are new to the system. If service providers do not fully understand CA, it will be difficult for them to adequately address customers' concerns about trying a new system, and will most likely lose customers' business as a result.

2. Training

2.1 GENERAL TRAINING TIPS



Preparation:

- Prepare in advance to ensure that all the necessary materials (e.g. the Flipchart Sheets you would like to prepare before the workshop, enough copies of the Evaluation Form, and presentation and demonstration equipment) and visual aids are available.
- Wherever possible, use visual aids to enhance your training.
- This manual provides an outline of how training should proceed. Not all of the technical details are included here; therefore, you need to add the necessary technical details as you prepare for the workshop.
- Be aware of local customs – remember to open and close the training day with a prayer and to give due recognition to any traditional leaders present.
- Provide translation services where necessary.

General training and presentation guidelines:

- Keep an eye on the time to avoid wasting the participants' time – but also keep in mind the time needed for translation, and, if necessary, be prepared to slow down if necessary to ensure understanding.
- Maintain good eye contact with the participants.
- Speak clearly.
- Keep your training language simple and appropriate to your audience.
- Provide clear instructions for activities and check to see if your instructions are understood.
- Where appropriate, summarise.

Visual presentation:

- Write clearly and boldly when using flipchart paper.
- Keep your visual aids visible. Avoid standing in the way of your visual aids and blocking the participants' view.

Involve the participants:

- Encourage questions and participation.
- Ask questions to get participants thinking about the topic and the key issues.
- Keep the group focused on the task, but take breaks if participants are tired and begin to lose concentration.
- Pay attention to participants' body language for any signs of fatigue.
- Be patient and courteous with all participants.
- Acknowledge all comments and feedback from participants.



Training Icon Key for the Facilitator



This icon indicates directives for you, as well as the directives you need to give the participants regarding activities they are expected to undertake.

(The directives are all in italics.)



This icon, which is situated in a text box, indicates the Flipchart Sheets which contain the training information that you need to display/compile and convey to the participants.

(NOTE: These Flipchart Sheets can be prepared before the workshop or compiled during the workshop, as is best suited.)

2.2 SESSION ONE BUSINESS SKILLS



WHO IS THE TRAINING IN SESSION ONE INTENDED FOR?

Session One's training is intended for potential input agents and service providers.

WHO WILL DELIVER THE TRAINING?

Business training facilitators.

DURATION

The duration of time needed to train Lesson 1-8 is 20 hours.

OBJECTIVES

Participants who receive training will be able to accomplish the following:

- Describe the basic principles of business
- Understand the relevance of financial management and entrepreneurship
- Complete a feasibility study to determine if a business idea is worth pursuing

MATERIALS REQUIRED FOR SESSION ONE

- A flipchart stand; at least one roll of flipchart paper; different coloured marker pens
- Prepared Flipchart Sheets (as required)
- Paper and pens for the participants
- Enough copies of the Evaluation Form (Hand-out #17)
- Hand-outs #1-15

TRAINING CONTENT FOR SESSION ONE

LESSON 1	Basic business skills	1 hour
LESSON 2	Feasibility study and Market analysis	4 hours
LESSON 3	Costing and pricing	3 hours
LESSON 4	Bookkeeping	3 hours
LESSON 5	Budgeting	3 hours
LESSON 6	Marketing	2 hours
LESSON 7	Customer service	2 hours
LESSON 8	Designing a simple business plan	2 hours
Training Evaluation	Assessment of participants' understanding	

LESSON ONE

BASIC BUSINESS SKILLS - INTRODUCTION



OBJECTIVES

- Participants will gain an understanding and knowledge of what a business is, and be able to give examples of local businesses.
- Participants will be able to give reasons for starting a business.



QUESTION: What does doing business mean?



- ❖ Brainstorm what doing business means with the participants.
- ❖ Write their responses on the flipchart.

❖ Either display the already prepared Flipchart Sheet or write the definition of doing business on the flipchart, and discuss.

Flipchart Sheet 1





Doing business is the activity of making one's living or making money by producing (or buying) and selling products, or hiring out services. Simply put: it is any activity or enterprise entered into for profit.



QUESTION: Who are the people doing business?



- ❖ Brainstorm the question regarding who does business with the participants.
- ❖ Write their responses on the flipchart.

❖ Either display the already prepared Flipchart Sheet or write the explanation of who can be involved in business on the flipchart, and discuss.

Flipchart Sheet 2





Doing business does not mean that it has to be involved with a company, a corporation, a partnership, or any such formal organisation. It can involve people ranging from street peddlers to Toyota Dealers.



QUESTION: Why do people start a business?



- ❖ Brainstorm the question regarding why people start a business with the participants.
- ❖ Write their responses on the flipchart.

❖ Either display the already prepared Flipchart Sheet or write the reasons why people start a business on the flipchart, and discuss.



Reasons for starting a business:

- Source of income
- Circumstantial need
- Control: being your own boss
- Gain experience and new skills
- Better use of technical expertise
- Sense of achievement
- Social gathering opportunities
- Social status in the community
- Help the community by providing a required and unmet product/service



OBJECTIVES

- Participants will gain an understanding of the steps of a feasibility study.
- Participants will gain an understanding of the importance of conducting a feasibility study for a new business idea.
- Participants will be able to compile a questionnaire to analyse the market.



QUESTIONS:

- a) What is your dream – what is your business idea?**
- b) What has so far kept you from going ahead with realising your dream?**
- c) What do you have that could advance your business idea?**
- d) Do you have a business idea which is related to Conservation Agriculture – what is it about?**



- ❖ Ask the participants to write their answers and ideas in their notebooks regarding all four of the above questions.



FEASIBILITY STUDY



- ❖ Once the participants have completed writing down their answers and ideas, either display the prepared Flipchart Sheet or write the definition of a feasibility study on the flipchart, and discuss further.

Flipchart Sheet 4



What is a feasibility study?

A feasibility study is an assessment of the practicality of a proposed project or system.

A feasibility study aims to objectively and rationally uncover:

- the strengths and weaknesses of an existing business or proposed venture;
- the opportunities and threats present in the natural environment;
- the resources required to carry it through, and
- the prospects for success.

(Justis, R. T. & Kreigsmann, B. 1979)

In other words, a feasibility study answers the question of whether you are able to produce a product/service that people want to buy/hire and which can be sold for a profit.



QUESTION: What does a feasibility study investigate?



- ❖ Brainstorm what a feasibility study investigates with the participants.
- ❖ Either display the prepared Flipchart Sheet or write what a feasibility study investigates on the flipchart, and discuss further.

Flipchart Sheet 5



A feasibility study investigates the following topics:

Do-ability

Can I really do it?

- What are your personal skills and interests?
- Is it culturally and socially acceptable?
- Is it technically appropriate?

Marketability

Is there a market (people willing to buy) for the product/service?

- Determine the demand or need for the product/service
- Identify potential customers
- Identify competitors

Profitability

Will this business be able to make a profit?

- Estimate prices
- Estimate production levels
- Estimate costs



HOW IS A FEASIBILITY STUDY CONDUCTED?



- ❖ Supply the participants with Hand-out #1 (Conducting your own Feasibility Study), briefly discuss the questions and clarify any which are unclear.

- ❖ Inform the participants that they can complete the questionnaire after the workshop, before the next review session.



CONDUCTING YOUR OWN FEASIBILITY STUDY QUESTIONNAIRE QUESTIONS

The following are the STEPS you need to take and the QUESTIONS you need to ask and ANSWER when determining the feasibility of your business:

1 Choose a product or service to sell/offer

- What are your skills and experience?
- What kinds of businesses already exist in your community?
- Are there products or services the community needs but does not have?
- What kind of business can generate the most income?
- What sounds like fun and is interesting for you?
- What resources are available to you?
- How much money do you have to invest?
- How much time do you have/want to devote to this business?





MARKET ANALYSIS

In order to answer all the questions concerning the feasibility study, a **market analysis** needs to be undertaken. This requires a lot of information, which all eventually lead you to understanding whether your product will be bought or your service hired.

The following questions need to be ASKED and ANSWERED when undertaking a market analysis:

- What groups of the population are you trying to reach (e.g. gender, level of income, age, race, etc.)?
- How will your pricing allow you to make a profit?
- Why do the customers buy?
- When do the customers buy?
- What are the customers' expectations for quality, price and service?
- What are the current and potential sizes of the market?
- How does your product/service compare to your competition?
- What are your competitors' strengths and weaknesses?
- What is your pricing strategy?
- How will your pricing enable you to penetrate the market?



CASE STUDIES

The following Case Studies will encourage you to think critically and to evaluate the feasibility of each project or business.



- ❖ Supply the participants with Hand-out #2 (Case Studies – Feasibility of Projects and Businesses).
- ❖ Read each of the Case Studies below and discuss the feasibility of each project or business with the participants.

CASE STUDY 1

A Barber Shop, a Shebeen, a Car Wash and a Kombi Taxi Service

Paulus is a 25-year-old unemployed man who lives in your town. He would like to open a barber shop, a shebeen, a car wash and a taxi service.

Previously, Paulus made money doing 'piecework' as a labourer on a construction site and clearing underbrush.

He sees that there are many businesses in the community like the ones he is interested in, and he would like to make lots of money.

CASE STUDY 2

A Computer Training Centre and a Construction Business

Stephan has lots of business ideas, but he has decided that he wants to open a computer training centre and a construction business in town.

The other day Stephan told you that most people do not even know how to use a computer. Stephan is pretty good with his laptop, but he is not a certified instructor.

He got the idea for a construction business because he has noticed that people keep moving to town and that they need houses. Stephan knows how to make bricks.

**CASE
STUDY
3**

A Restaurant

Maria would like to open a restaurant in a location near town. She is a very good cook and sells fat cakes on the side, but she has never operated a business.

There are several other traditional food restaurants in town.

**CASE
STUDY
4**

Housekeeping Services, a Bakery, and Catering Services

Christine is a fruit vendor in town. You talk to her every day on your walk to work. She is excited about your offer to help with her business ideas. Even though she only made it to Grade 8, she is very nice and seems motivated.

She plans to offer housekeeping services, open a bakery, and provide catering services for events. As Christine has a large family, she can use her family members to help out with the businesses.



OBJECTIVES

- Participants will gain an understanding of the two major cost categories, and will be able to list examples of each.
- Participants will gain an understanding of the factors that influence pricing.
- Participants will be able to calculate variable and overhead costs per unit.



❖ Discuss the following types of costs and factors that influence pricing with the participants.



TYPES OF COSTS (COST CATEGORIES)

- Costs of Revenue (also known as Direct or Variable Costs)**

The monthly total amount of these costs will vary depending on how much of the product is being produced (or how many services are being performed).

- Raw materials (for product-based businesses)
- Direct labour (hourly wages of those directly making the product/performing the service)
- Transportation (fuel costs)
- How to calculate the variable cost per unit:
 - Raw materials (total cost of all materials needed to produce one product/perform one service) + Direct labour per unit
 - OR** Total variable costs ÷ (divided) by the number of products produced/services provided in one period

- Overhead Cost / Indirect Costs / Fixed Costs**

The monthly total amount for these costs will remain the same, no matter how much product/service is being produced/Performed (these are the costs needed to keep your business open).

- Salaries (management or employees who are paid the same amount each month, regardless of the amount of goods or services sold)
- Rent
- Communication/telephone service
- Utilities (water, electricity)
- Marketing costs (advertisements)
- Office expenses
- Accounting and legal expenses
- How to calculate overhead cost per unit:
 - Total Overhead Cost per month/Number of products sold or services performed



FACTORS THAT INFLUENCE PRICING

- Costs**

- Prices must, at the very least, cover costs to break even.
- If prices are set below your cost per unit, you will lose money and your business will fail.

- **Competition**
 - Unless you are offering a high-quality product or service that justifies a high price, your price should not be much higher than that of your competition. If your product/service has the same quality or lower quality than that of your competition, the consumer will most likely choose your competition's lower price.
 - A lower price than that of your competition could be used to penetrate the market, as long as your business is still making a profit.
 - However, you do not want it to be too low because your potential customers might think your product/service is inferior.
- **Customers' willingness to pay**
 - If your target market has lower incomes, they will not be able to afford a high price for your product/service.
 - However, you should also take demand into consideration. If you are expecting to sell in lower quantities, you may need to have a slightly higher price to offset the fixed costs.
- **Positioning**
 - How do your customers perceive your product/service in their minds?
 - Emphasise the distinguishing features of your business:
 - Affordable/luxury?

(Note: Once a brand is positioned, it is very difficult to reposition it without destroying its credibility.)
- **Profit**
 - Not only should your price account for your cost per unit, but you need to consider how much profit per unit is reasonable (again, consider your customers' willingness to pay).



CALCULATING VARIABLE AND OVERHEAD COSTS PER UNIT



- ❖ Supply the participants with Hand-out #3 (Costing Scenarios).
- ❖ Divide the participants into groups of two or three.
- ❖ Instruct the groups to calculate the variable, labour, and fixed costs for each scenario, and to write their answers on the hand-out.

(No more than 15 minutes should be spent on each scenario.)



- ❖ When the groups have finished, ask a volunteer from one of the groups to demonstrate how to arrive at the correct answers on the flipchart. Do this for each scenario. If none of the groups have calculated the accurate answer, clearly work it out with them, step-by-step, on the flipchart.

Costing Scenarios

SCENARIO

1

ABC Chair Crafters

ABC Chair Crafters is a manufacturer of very fine, handmade wooden furniture.

Using the Costing & Pricing form, we would like to cost the production of our Swingline Chair.

- The company buys the high quality wood from the supplier at **N\$25 per metre**
- **2 metres** of the raw material is needed to make a chair
- The average employee can make **one chair in two days**
- Each employee works for **20 days per month**
- The group's total monthly production is **50 chairs** (5 employees, 20 days, 1 chair every two days)
- Labour: **N\$100 per day**
- **ASSUME ALL CHAIRS ARE SOLD IMMEDIATELY**
- The company pays a **monthly salary of N\$4,500** to a marketing administrator
- The company pays **N\$200 for electricity** and **N\$350 for water**
- The **telephone bill is \$N400** per month
- The **rent is N\$4000** per month

ANSWER

VC: $50 \times 2 = \text{N\$50}$ wood

Labour (per chair): N\$200

FC: $4500 + 200 + 350 + 400 + 4000 = 9450 / 50 = \text{N\$189}$

Total Cost: N\$439.00

SCENARIO

2

Andy's Tiling CC

Andy's Tiling is a company based in the New Industrial area in Swakopmund that specializes in customized tiling for residential and commercial properties.

Using the Costing & Pricing form, we would like to cost our floor installation service.

- The tile is for a kitchen floor that is 3×5 metres, and the tile size will be $30.5 \text{ cm} \times 30.5 \text{ cm}$. To cover the entire kitchen of 15 square metres, you calculate that at least **162 tiles** are needed.
- Price per box of 10 tiles: **N\$1,100 per box**
- Two 2 kg bags of Ceramic Adhesive: **N\$72 each**
- Two 5 kg bags of coloured grout: **N\$50 each**
- You estimate that it will take about **6 hours** to install the tiles, and then you have to wait overnight for the mortar under the tiles to set. You will come back the next day to grout the tiles and clean up, and an area this size will take you about **2 hours** to finish. You charge **N\$45 per hour** for your **labour**.

- You already have the necessary tools to install the tiles on the floor, but you need to calculate your costs so you can give the customer a final price before they commit to using your company to tile their kitchen floor. But, you have around **N\$10,000 overhead** and you apply **15%** of it to each job.

ANSWER

$$VC: (1,100 \times 17) = 18,700$$

$$(72 \times 2) = 144$$

$$(50 \times 2) = +100$$

$$VC = 18,944$$

$$Labour = 8 \times 45 = 360$$

$$Overhead = 19304 \times .10 = 1,930.40$$

$$\text{Total Cost} = \mathbf{N\$21,234.40}$$

SCENARIO

3

Good Food Take Away

At Good Food Take Away, we offer quick, cheap and easy take away food for people on the go. Good Food Take Away has a contract with 2 local factories where it makes lunch (a hamburger) for 200 workers every work day (5 days per week).

Using the Costing & Pricing form, we would like to work out the cost of making 1 lunch (1 hamburger).

- The company pays **N\$10** for a pack of 20 buns, **N\$ 15** for 30 slices of cheese, and **N\$100** for **2 kg of mince**
- Each hamburger uses: **1 bun**, **.10 kg of mince**, and **1 slice of cheese**
- The company makes **4,000 hamburgers per month** (200 hamburgers per day; 20 work days in a month)
- The average employee makes **10 hamburgers per hour**
- Labour costs: **N\$15 per hour**
- The owner pays himself a **monthly salary of N\$3,500**
- The owner pays **N\$300 for electricity** and **N\$350 for water**
- The **telephone bill is N\$450** per month
- The **rent** for the store is **N\$1500** per month

ANSWER

$$VC = .5 + .5 + 5 = N\$6$$

$$Labour = N\$15 / 10 hamburgers = N\$1.50$$

$$Overhead = 3500 + 300 + 350 + 450 + 1500 = N\$6100 / 4000 = N\$1.52$$

$$\text{Total Cost per hamburger (Fixed and Variable)} = \mathbf{N\$9.02}$$



OBJECTIVES

- Participants will gain an understanding of the importance of bookkeeping, as well as the two different types of books (stock and cash books).
- Participants will gain an understanding of how to set up and use a cash book.
- Participants will gain an understanding of the difference between income and expenses.
- Participants will be able to recognise the common problems that cause errors in the cash book.



QUESTION: Why is bookkeeping essential?



❖ Either display the prepared Flipchart Sheet or write the reasons why bookkeeping is essential on the flipchart, and discuss.

Flipchart Sheet 6



- Bookkeeping is essential for general business operations.
- It helps you to keep track of the money and inventory that flows in and out of the business.
- As these books help you to understand the health of the business, they will enable you to make informed decisions.



TYPES OF BOOKS



❖ Briefly explain the purpose of a stock book and a cash book.



Stock Book

- A stock book is used in businesses that deal with inventory (stock).
- Since we are working with service-based businesses, we will focus on the cash book.



Cash Book

- A cash book helps you to keep track of all your transactions for transparency. You need to know where your money is going so you can determine if you are making a profit or losing money.
- Most people are forgetful by nature; therefore, if you write everything down, it lessens the risks of human error.
- The information you collect in your cash book can help you to make better business decisions, especially on what to buy and sell.
- Financial institutions may need to see financial statements, such as cash book entries, before awarding grants or loans.
- Keeping records of selling on credit can reduce the risk of people cheating you.
- Ultimately, analysing all the data you have collected should help you to become more profitable.



HOW TO SET UP AND USE A CASH BOOK



❖ Draw up the following template on the flipchart, and write in the cash book headings.

Date	Description	Received (Income)	Spent (Expenses)	Balance
------	-------------	-------------------	------------------	---------



- ❖ Supply the participants with Hand-out #4 (Cash Book Content – What goes under each heading?) for them to use as a reference during this exercise.
- ❖ Explain what goes under each heading.

- **Description**

- ✓ When you start a new page of your cash book, always write the first entry as Balance Brought Forward From (last entry date) under **Description**.
- ✓ Make sure you enter the current date under **Date**.
- ✓ Place dashes (–) under **Received** and **Spent** (since you are not completing a transaction).
- ✓ Place your last entry's total under **Balance** (this ensures that you use the correct balance for your next transactions).

- The three most important details to include under **Description** are:

- ✓ The item/service you have sold/bought
- ✓ The quantity of the item/service that was sold/bought
- ✓ Price of the item that was sold/bought

- **Income** is the money that comes in to your business (usually from the sale of products or services).

- **Expenses** are the amounts of money that flow out of your business (usually for purchasing materials or supplies you need to conduct your business).

- ✓ You will never add both a **Received** and **Spent** item on one transaction line (entry); the category that is not being entered should have a dash (–) through the box.
- ✓ For example, if I am receiving N\$500 from a client for ripping one hectare, I will put N\$500 under **Received**, put a dash (–) under **Spent**, and add N\$500 to my previous balance to enter my new balance under **Balance**.

- **Balance** is the amount of money that should be in your cash box (or wherever you store your money).

Your balance will adjust after each transaction:

- ✓ If the entry is for an income item, this money will be added to the previous balance to create a new one.
- ✓ If the entry is for an expense item, this money will be subtracted from the previous balance to create the new one.

- Frequently check to make sure the total in your cash book matches the total in your cash box (or wherever you store your money).

- ✓ Count your cash before the day begins and after it ends.



Common Problems

If the amount in the safe differs from the cash book records, it could be due to any one of the following:

- Mathematical error
- Mistakenly put an expense in the **Received** column and added it to the **Balance**, or vice versa
- Someone made a sale or payment, but did not record it in the cash book
- Someone stole money



Buying and selling on credit should be recorded in a separate book.



EXAMPLE OF CASH BOOK ENTRIES



- ❖ Draw the following cash book entries template on the flipchart.
- ❖ Write the first two examples into the template.
- ❖ Then read out the transaction scenario and ask the participants to tell you what details need to go under which heading.

The following table is an example of CASH BOOK entries:

Date	Description	Received	Spent	Balance
01/11/2018	Balance brought forward from 30/10/2018	—	—	N\$1000
02/11/2018	1 ha ripped @N\$500/ha	N\$500	—	N\$1500
02/11/2018	Payment for 2 employees at N\$50/ha for 1 ha ripped	—	N\$100	N\$1400
03/11/2018	Loan payment for ripper at N\$500/month	—	N\$500	N\$900
04/11/2018	½ ha ripped @N\$500/ha	N\$250	—	N\$1150
04/11/2018	Payment for 2 employees at N\$50/ha for ½ ha ripped	—	N\$50	N\$1100



CASH BOOK CASE STUDY EXERCISE



- ❖ Divide the participants into groups of two or three, and supply them with Hand-out #5 (Cash Book Case Study – Two Brothers Boutique Cash Book Exercise) and Hand-out #6 (Cash Book Form – blank template)
- ❖ Read the following Case Study to the participants (Hand-out #5)
- ❖ EXERCISE: Ask the groups to enter the information into their Cash Book forms.
- ❖ Provide assistance when necessary.

The Two Brothers Boutique CASH BOOK EXERCISE

Information for the state of the store on the 31 March 2006:

- There is N\$5000 in the safe.
- Two Brothers Boutique stock 7 products: beer, soda, petrol, rice, OMO, televisions, and radio cassettes.

Transactions of the store for the time period of 1 April 2006 to 30 June 2006:

1. 5 April: Two Brothers sells 20 litres of petrol at N\$7 per litre for N\$140
2. 18 April: Two Brothers sells a television at N\$1200 in cash
3. 26 April: A client, Ms Y, reimburses Two Brothers for N\$1800 in cash
4. 30 April: Two Brothers pay employee salaries of N\$1500 in cash from the safe
5. 3 May: Two Brothers pays the electricity bill of N\$600 with money from the safe
6. 9 May: Two Brothers sells:
 - a) 4 cases of beer at N\$150 each, for a total of N\$600
 - b) 4 cases of soda at N\$40 each, for a total of N\$160
7. 15 May: Two Brothers sells 10 kg of rice at N\$25 per kg for N\$250
8. 25 May: Two Brothers removes N\$2500 from the safe to put into the bank account
9. 30 May: Two Brothers sell 2 radio cassettes at N\$45 each, for a total of N\$90
10. 30 May: Two Brothers pay employee salaries of N\$1500.00 in cash from the safe
11. 5 June: Two Brothers gives N\$250 to collectors for a tax on their products
12. 9 June: Two Brothers sells:
 - a) 5 cases of soda at N\$40 each (N\$200)
 - b) 5 cases of beer at N\$165 each (N\$825)
 - c) 10 kg of rice at N\$50 per kg (N\$500)
 - d) 50 litres of petrol at N\$7 per litre (N\$350)
13. 12 June: Two Brothers sells 10 containers of OMO at N\$20 each, for a total of N\$200
14. 12 June: Two Brothers pays in cash from the safe:
 - a) 100 litres of petrol at N\$500 (N\$5 per litre)
 - b) 10 cases of soda at N\$360 (N\$36 per case)
 - c) 5 cases of beer at N\$600 (N\$120 per case)
 - d) 10 kg of rice at N\$200 (N\$20 per kg)
15. 12 June: Two Brothers also paid N\$200 for transportation of the merchandise to the store
16. 16 June: Two Brothers sold 2 cases of beer at N\$165 each (N\$330), and 2 cases of soda at N\$40 each (N\$80)
17. 17 June: Two Brothers sold to a client, Ms Y, a television at N\$1200 **on credit**
18. 25 June: A client, Ms X, reimbursed a debt of N\$1000 in cash
19. 30 June: Two Brothers paid the electricity bill of N\$1200 with money from the safe
20. 30 June: Two Brothers pay employee salaries of N\$1500 in cash from the safe
21. 30 June: Two Brothers removes N\$1000 from the safe to pay the rent for the building, for the months of 1 April 2006 to 30 June 2006

ANSWER layout for the CASH BOOK CASE STUDY EXERCISE



- ❖ When the groups are finished, ask for each group's final balance. If any group arrived at the correct balance, ask one of the group members to become the facilitator and, with the assistance of the other groups, to demonstrate on the flipchart how to accurately write each transaction in the cash book.
- ❖ Assist where necessary during this feedback process.
- ❖ Display the prepared Flipchart Sheet or write the correct answer layout for participants to look at.

Flipchart Sheet 7



#	Date	Description	Received	Spent	Total
	31 March	Cash in the safe			5,000.00
1	5 April	Sells 20 litres of petrol @N\$7.00/litre	140.00		5,140.00
2	18 April	Sells in cash one TV @ N\$1200.00	1,200.00		6,340.00
3	26 April	Reimbursement - Ms Y in cash	1,800.00		8,140.00
4	30 April	Payment of employee salaries		1,500.00	6,640.00
5	3 May	Payment of electricity bill from safe		600.00	6,040.00
6	9 May	Sells 4 cases of beer @N\$150.00/case	600.00		6,640.00
		Sells 4 cases of soda @N\$40.00/case	160.00		6,800.00
7	15 May	Sells 10 kg of rice @N\$25.00/kg	250.00		7,050.00
8	25 May	Cash moved from safe to bank account		2,500.00	4,550.00
9	30 May	Sells 2 radio cassettes @N\$45.00	90.00		4,640.00
10	30 May	Payment of employee salaries		1,500.00	3,140.00
11	5 June	Payment to collectors for taxes		250.00	2,890.00
12	9 June	Sells 5 cases of soda @N\$40/case	200.00		3,090.00
		Sells 5 cases of beer @N\$165/case	825.00		3,915.00
		Sells 10 kg of rice @50/kg	500.00		4,415.00
		Sells 50 litres of petrol @N\$7/litre	350.00		4,765.00
13	12 June	Sells 10 containers OMO @N\$20/can	200.00		4,965.00
14	12 June	Purchases 100 litres petrol (in cash)		500.00	4,465.00
		Purchases 10 cases soda (in cash)		360.00	4,105.00
		Purchases 5 cases beer (in cash)		600.00	3,505.00
		Purchases 10 kg rice (in cash)		200.00	3,305.00
15	12 June	Payment of merchandise transport		200.00	3,105.00

Continued on next page...

cc

#	Date	Description	Received	Spent	Total
16	16 June	Sells 2 cases of beer @N\$165.00/case	330.00		3,435.00
		Sells 2 cases of soda @N\$40.00/case	80.00		3,515.00
18	25 June	Reimbursement - Ms X in cash	1,000.00		4,515.00
19	30 June	Payment of electricity bill from safe		1,200.00	3,315.00
20	30 June	Payment of employee salaries		1,500.00	1,815.00
21	30 June	Loan payment from cash in safe		1,000.00	815.00



OBJECTIVES

- Participants will gain an understanding of the importance of budgeting and money management.
- Participants will be able to describe the categories of income and expenses that can be put on a budget sheet.
- Participants will gain an understanding of the basic layout of a business budget, and will be able to create a monthly personal budget.
- Participants will be able to list the various tools that can be used to deter a person from deviating from their budget.



QUESTION: Why is it important to work out a monthly budget?



❖ Either display the prepared Flipchart Sheet or write the reasons why it is important to work out a monthly budget on the flipchart, and discuss.

Flipchart Sheet 8



The reasons why it is important to work out a monthly budget are as follows:

- A monthly budget helps you to plan for how to spend and save your money every month.
- It helps you to keep track of spending patterns.
- It helps you to prioritise expenditures, particularly when there is not enough money to pay for everything that is needed (e.g. food, water and shelter).
- Budgets can and should be made for both personal and business activities.



BUDGETING BASICS



❖ Discuss the basics of budgeting.

The following are the basic pointers involved in budgeting:

- A monthly budget shows you where you need to cut back – you may be surprised where some of your money is going.
- Budgeting shows you whether you need to make a lifestyle change.
- Personal money should be monitored and kept separately from your business money.
 - When you need to get an accurate picture of your business finances, you might accidentally overlook expenses, or make poor business decisions, if your personal purchases are intermingled with your business purchases.
 - If personal and business finances are mixed:
 - you will never know if your business is profitable;
 - you may be paying out-of-pocket to run your business; and

➤ you will never know whether personal expenses have become burdensome.

- As a business owner, you should make a Business Expense Category to pay yourself.
This can then be transferred to your personal budget as Income.
- The three main categories that should be on your budget sheet are: Income, Expenses, Savings.
- You should include an unforeseen expense line to plan and protect yourself from possible unpredicted financial events.
- Use the envelope system and shopping lists to help you stick to your budget.
- You should make it a goal to save three months' worth of expenses in an emergency fund.
- If you are at or below the poverty line, you should make sure your expenses are as low as possible.
- Continuously revisit your budgets and update them when required.



WHAT SHOULD YOU NOT DO WHEN YOU ARE NOT FINANCIALLY STABLE?

The following are the things you should not do when you are not financially stable:

1. Loan someone else money
2. Buy on credit
3. Go on an expensive vacation
4. Spend money on non-necessities
5. Have cable/dish television
6. Eat at restaurants
7. Buy alcohol
8. Pretend that you have more money than you do
9. Quit your job without having another job lined up
10. Spend your time doing things that are unproductive
11. Spend your savings/emergency fund on things that are not emergencies
12. Waste electricity or water
13. Take on new expenses
14. Buy expensive and/or unnecessary gifts
15. Gamble
16. Give money to your children for items that are not necessities
17. Think your financial situation is going to change itself or that someone other than **yourself** will be able to fix it
18. Stick to your old spending habits



BUSINESS BUDGET



- ❖ Either display the prepared Flipchart Sheet or draw up the template of a business budget and explain the categories and layout.
- ❖ Supply the participants with Hand-out #7 (Business Budget Template) for them to keep and use when needed.

Flipchart Sheet 9



BUSINESS BUDGET

	Budget	Actual
Income		
Sales from Services		
Sales from Products		
Grant/Loan Disbursement		
Total Income		
Expenses		
Personal Salary		
Labour		
Equipment		
Depreciation		
Loan Payment		
Marketing/Advertising		
Transportation		
Bank Fees		
Unforeseen Expenses		
Total Expenses		
Savings		
Total Profit		

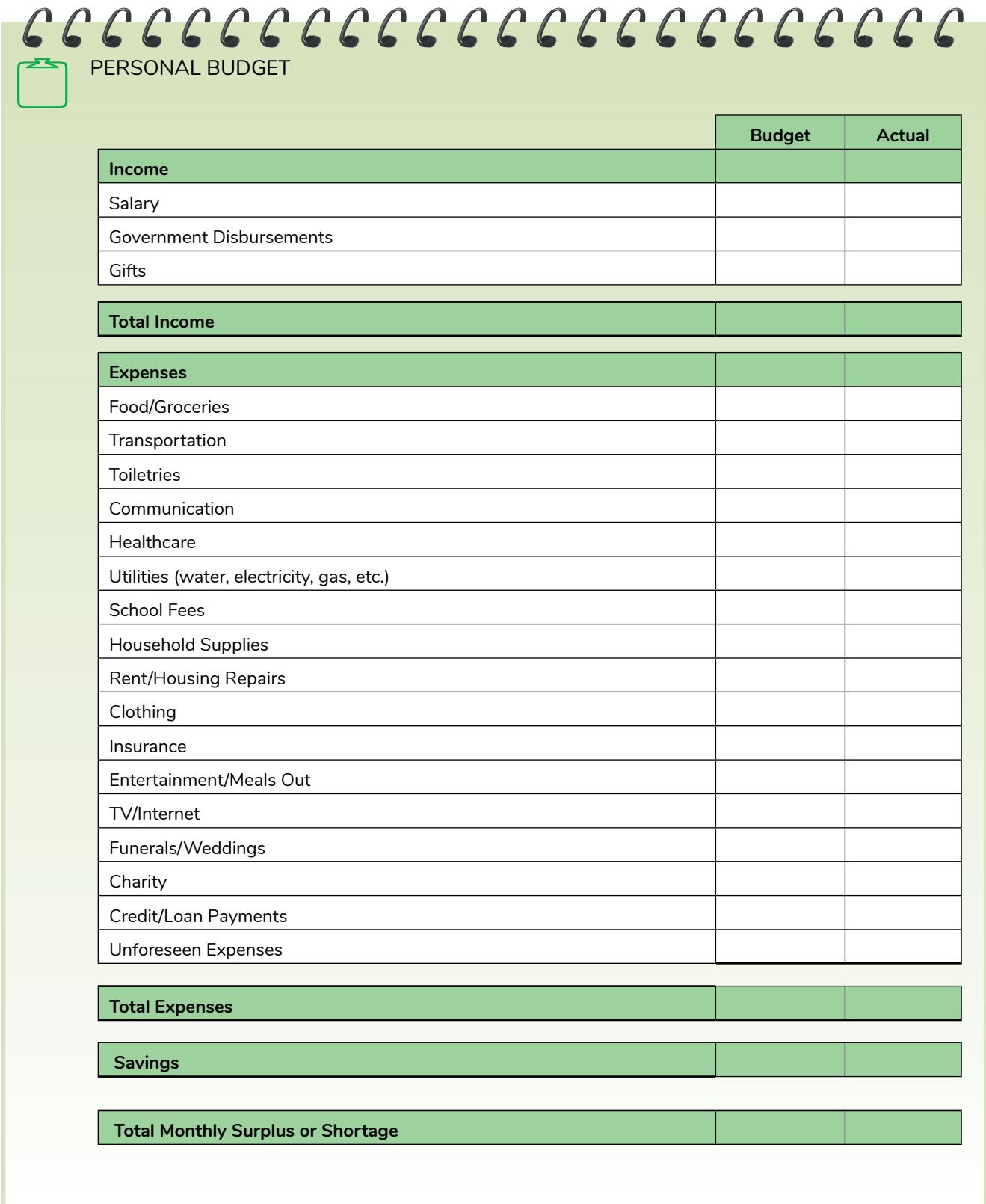


PERSONAL BUDGET



- ❖ Either display the prepared Flipchart Sheet or draw up the template of a personal budget and explain the categories and layout.
- ❖ **EXERCISE:** Supply the participants with Hand-out #8 (Personal Budget Template).
- ❖ Ask the participants to develop their own personal budget using the hand-out template.
- ❖ Provide assistance when necessary.

Flipchart Sheet 10





THE BEAN GAME

The purpose of this game is to help you to understand which items are important for you and which items you are able to give up or downgrade when your monthly income decreases.



EXERCISE: Supply the participants with Hand-out #9 (The Bean Game – adapted for Namibia).

- ❖ Explain the game and ask the participants to complete each section of the game.
- ❖ Provide assistance when necessary.

❖ (The instructions for the Bean Game can be accessed at: https://financeintheclassroom.org/passport/downloads/bean_game.pdf)

Housing

Live in traditional housing with relatives, no utilities (water, electricity, gas)



Live in traditional housing with relatives, sharing utilities



Share housing for rent with others, including utilities



Rent a place of your own in town, including utilities



Communications

Cheap phone with no data, limited calling & messaging



Cheap phone with no data, many minutes and messaging



Smart phone with data, calling and messaging



Recreation

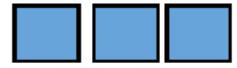
Cable TV, snacks



Fishing, camping, other hobbies



Adventure tours



Occasional weekend vacations close by



Concerts, extended vacations



Savings

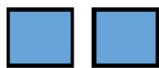
5% of Income



10% of income



Invest for retirement



Contribution to church



Gifts

Make handmade gifts



Offerings for weddings and funerals



Frequently give money to family members



Food

Cook at home (little relish); dinner out once per week



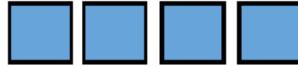
Cook at home (a lot of relish); dinner out once per week



Frequently eat out; some meals cooked at home



All meals eaten away from home



Transportation

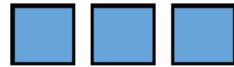
Walk or Bike **NO COST**



Local Transportation/Hike



Own used car



Own new car



Furnishings



Borrow from relatives



NO COST

Buy from China shops



Buy from furniture store



Clothing

Make your own clothing



Buy at a discount/cheap store



(ex: PEP or china shop)

Buy quality clothing



Buy designer clothes



Personal Care

Basic products (soap, toothpaste, hair cut at home)

Medium priced products and occasional professional hair styling



High end products and frequent professional hair styling





OBJECTIVES

- Participants will gain an understanding of the process of marketing.
- Participants will be able to list the 5 Ps of marketing and give examples of strategies for each.
- Participants will gain an understanding of the techniques to better market their services.



QUESTION: What is the purpose of marketing?



❖ Either display the prepared Flipchart Sheet or write the purpose of marketing on the flipchart, and discuss.

Flipchart Sheet 11



Marketing is the management process through which goods and services move from concept to the customer.

Marketing includes the coordination of the following factors (the **Five Ps**):

- Identifying, selecting, and developing a **product**
- Determining its **price**
- Selecting a distribution channel to reach the customer's **place**
- Developing and implementing a **promotional** strategy
- Presentation and attitude of the **people** (employees) involved in the business

It is important for entrepreneurs to consider the various components of each of the Five Ps to determine which overall marketing strategy will lead them to success.



THE 5 Ps OF MARKETING



- ❖ Draw up the tables for the 5 Ps on the flipchart, but only fill in the information for **Product**. Discuss the points for Product.
- ❖ For the Price, Place, People, and Promotion boxes, ask the participants to contribute their suggestions and fill them in together, and discuss.

(If any aspects in the following tables have been left out, fill them in respectively.)

The 5 Ps are comprised of the following aspects:

PRODUCT (or service)	PRICE
<ul style="list-style-type: none"> • Quality • Adaptability • Does it appeal to customers (colour, size, etc.)? • Appropriate packaging • Number of products in packaging • Characteristics – consider what the competition is offering • Complementary products to pair with • Inventory management • Diversify product selection • Perishability • Functionality – does it have multiple features? • Repair and/or replacement services 	<ul style="list-style-type: none"> • Quality justifies price • Willingness to pay • What price point is your competition using? • Must at least cover your costs of producing and selling the product (includes transportation and marketing costs) • Extra fees for packaging/gift wrapping • Supplier relations • Special offers (bundles and bulk discounts) • Reduced prices for products about to expire • Consider demand • Locations in towns/cities can justify higher prices

PROMOTION	
<ul style="list-style-type: none"> • Accuracy and attractiveness of advertisements • Distinguish from competitors • Business sign for physical location • Signs for product descriptions and prices where necessary • Business cards • Stall/table at open market • Media advertisements (TV, radio, newspaper, etc.) • Word-of-mouth (calling people you know or previous customers) • Social media (WhatsApp, Facebook, website, etc.) 	<ul style="list-style-type: none"> • Flyers placed at frequented locations • Samples of product • Gifts with other purchases (customers who buy in high quantities could warrant a discount or gift) • Sales or discounts • Product display, placement, and labels in shop • Merchandise • Free advertisements through news media (if the media are highlighting a story about your business) • Employees who will attract customers to the products

PLACE	PEOPLE (Employees)
<ul style="list-style-type: none"> • Location of customers • Foot traffic- place where people frequently walk by • Popular locations • Location of Business • Delivery • Location of competitors • Hours of operation • Location of suppliers • Physical location aesthetics- appealing to customers (cleanliness, decorations, atmosphere) 	<ul style="list-style-type: none"> • Friendly welcome <ul style="list-style-type: none"> ◦ Smile and be helpful • Know the business and products • Professional and serious • Customer service and communication skills (affects word-of-mouth) • Clean and well-dressed • Problem-solving skills • Positive attitude • Negotiation skills/empowerment



- ❖ Once you have completed this exercise, supply the participants with Hand-out #10 (The Five Ps of Marketing) for them to keep and refer to when needed.

EXERCISE: IMPROVE MARKETING FOR PRODUCE SALES



- ❖ **GROUP EXERCISE:** Divide the participants into five groups.
- ❖ Supply each group with Hand-out #11 (Exercise – Improve Marketing for Produce Sales)
- ❖ Present the following scenario to the participants:

SCENARIO

IMPROVE MARKETING FOR PRODUCE SALES

EXERCISE:

- ➔ You are a grower of produce, specifically tomatoes, green peppers, local spinach and onions.
- ➔ You do not offer any kind of packaging to contain your vegetables, and the quality, size, and colour are not consistent across your product selection.
- ➔ You only sell the raw product.
- ➔ You produce your vegetables using traditional seeds and do not use any extra fertilizer for the soil.
- ➔ There are two other people in your village selling these vegetables, but one also sells beans, cabbage and carrots.
- ➔ Usually half of the produce you try to sell goes unsold, which you consume just before it rots.
- ➔ You do not have a special location for storing your crops – you place them in the corner of your house, uncovered.
- ➔ Your current price is N\$5 for 3 medium-sized tomatoes, peppers or onions.
- ➔ You charge N\$1 for a bundle of 5 medium-sized leaves of spinach.
- ➔ Your competitors are charging N\$10 for 3 medium-sized tomatoes, peppers or onions, and N\$2 for a bundle of 5 medium-sized leaves of spinach.
- ➔ You never have any special offers.
- ➔ You do not have any transportation costs.
- ➔ You keep reusing seeds, so there is no seed cost.
- ➔ Since your crops are currently rain-fed, you do not have any water costs.
- ➔ You are currently selling your vegetables from inside your house.
- ➔ There is no signboard outside your courtyard to indicate what you are selling.
- ➔ Your customers only know what you are selling when you tell them in person.
- ➔ Your house is located in the back corner of a small village, about 80 km from the nearest town.
- ➔ You do not have any known business hours.
- ➔ You do not offer a delivery service (people must come to your house to purchase items).
- ➔ You do not currently have any employees.
- ➔ Your customer service skills are poor. You rarely greet customers or smile, and if anyone has an issue with your product, you do not help them in any way.



- ❖ Supply each group with one 'P' from Hand-out #12 (Exercise Questions: Improve Marketing for Produce Sales – One P for each of the five groups).
- ❖ Instruct them to come up with suggestions of how they can improve their 'P', according to the suggestions and questions provided.
- ❖ Write up each group's suggestions on the flipchart. Ask the other groups whether they would like to add any suggestions.



EXERCISE QUESTIONS

GROUP
1

PROMOTION

- What means can I use to inform the public about my product and its good quality?
- How can I inform more people?
- Are these means suitable for the targeted customers?
- (It is necessary to consider the appropriate modes of communication.)
- What is informing people about my product? Is it accurate and attractive?
- How can I distinguish myself from the other sellers?

How can I improve **Promotion**?

- Put a sign in a visible place to inform people that you are selling a product.
- (This sign should be big, nice and attractive, and not solely based on words.)
- Speak with people (friends, family, and strangers) and ask them to tell others what you are doing and that you are doing it well.
- Give discounts to people who bring you new customers.
- Call people with a loud voice.
- If you have a shop, you can play music that is pleasing to the customers' ears.
- Display and organise your product in a nice and effective manner.
- Demonstrate the product. Demonstrate how it is used, or if it is food, offer samples to people to test.
- Mark the price on the product.
- Obtain business cards.
- Create a photo album or an album of examples.
- Create a slogan.
- Design a nice logo that represents your business.
- Put labels with your logo on your products.
- Publicize on the radio.
- Distribute brochures and flyers.
- Put posters up at frequented places.
- Rent a car with loud speakers to publicize on market days.
- Put products on sale (reduce the price for a few days).
- Give occasional samples.

**GROUP
2****PRODUCT**

(This is the service that you render, a product you buy and sell, or a manufactured product.)

- How does the quality of my product respond to the needs and desires of actual or potential customers, and in relation to the products of my competitors?
- What are my competitors selling?
- What characteristics of my product please my customers?
- What can I do to improve the quality of my product during production?
- Can I change the raw material to strengthen the quality?
- Is my product adaptable to changes in the market? That is, can my product be changed?
- Is it necessary to change the form, the size, the colour, or the odour of my product?
- Is the level of production sufficient (but not excessive) to satisfy the demand of customers?
- Can I prevent surpluses (and shortages) of my product?
- Can I package my product to protect it and to make it look nice?

How can I improve **Product**?

- Identify what characterizes a 'good product' according to your customers.
- Install a system of quality control that ensures the characteristics of a 'good product'.
- Change the colour, size, odour, taste, packaging, etc. of your product to better satisfy the customers.
- Change your product's raw material to improve its quality.
- Identify the production techniques that contribute to the making of a 'good product'.
- Can I improve the quality of my product?
- Are there any products or services that complement what I currently sell?
- Know the characteristics of the products of your competitors.
- Improve the system of storage to avoid shortages in stock.
- Are there ways to improve storage of the product?

**GROUP
3****PLACE**

- Where do my customers live?
- Which places do people frequent in the village?
- Is my product easily accessible for people?
- How can I move closer to my customers?
- What operation/opening hours will please my customers?
- How can I distribute my product more effectively?
- Is my store/workshop well-lighted, clean, well-organised, and attractive?

How can I improve **Place**?

- Sell at several places.
- Study your competitors' places.
- Test your product by trying to sell it in areas of the village which are much frequented.
- Choose operation/opening hours that are pleasing to your customers.
- Make travelling sales.
- Be close to the raw materials you need to avoid high transportation costs.

**GROUP
4****PRICE**

- How many of my customers are ready to pay for my product? (It is necessary to consider customer needs and competitor prices.)
- Can I attract other customers with special offers? (Sales, the 10th product free, lower prices during certain seasons of the year, etc.)
- How did I calculate my price?
- Are there fluctuations in the price of the raw materials, and do I gain from the reduction in price?
- Is it possible to buy less expensive raw materials?
- Are there possibilities for cooperation between my supplier and me?

How can I improve **Price**?

- Taking into consideration both the direct and indirect costs, determine the price of selling your product with the amount of profit that you desire.
- Search for raw materials that are less costly.
- Gain from fluctuations in the price of the raw material. If possible, buy more when the price is less.
- Search for modes of transport that cost less.
- Cooperate with sellers of raw materials to avoid intermediaries.
- Test your product at a higher price to see the customers' reactions.
- Watch your competitors' prices.
- Give special offers.
- Give gifts to attract new customers to the business or to encourage regular customers to continue coming to your business. For example, pencils, pens, calendars, etc. with the name of the business printed in them. Or you can tell the customer, "If you buy five, I will give you one at half price."
- Offer a less expensive product to attract customers who will buy other things also.

**GROUP
5****PEOPLE**

- Does each employee represent the business and its desired image well? For example:
 - Does each employee know the product and its price well?
 - Does each employee respond to the needs and questions of the customers?
 - Is each employee professional and serious?
 - Is each employee clean and well-dressed?
 - Is each employee effective?
 - Does each employee know how to sell and communicate well?

How can I improve **People**?

- Employ people who are well qualified.
- Define the responsibilities and your expectations of each job.
- Give good customer service.
- Create motivations for excellent work. For example, give employees who continue to do great business a raise.)
- Confront performance problems when they happen.



- ❖ Once the Improve Marketing for Produce Sales exercise is complete, supply the participants with Hand-out #13 (Suggestions for Promoting Produce and Bean Sales).
- ❖ If there is time, discuss these suggestions with the participants. If not, they may read it in their own time.

SUGGESTIONS FOR PROMOTING PRODUCE AND BEAN SALES

- 1. Form relationships with the lodges**
 - a) Work with other farmers to arrange a business agreement with the lodges for a 'local night' every month (or if possible, more frequently), where the farmers supply fresh produce and meat to feature seasonal products and promote local agriculture.
- 2. Form relationships with local schools or universities such as UNAM or VTCs**
 - a) Offer fresh produce from gardens for them to prepare in their cafeterias/dining halls for their students.
- 3. Organise a farmer's market**
 - a) Work with other farmers to sell produce and other handmade items/crafts at a stall once a week or month at a specific time and location.
- 4. Experiment with new ways to prepare beans/vegetables**
 - a) Share new recipes with customers to encourage them to buy more of your products and diversify their meals.
 - b) For example: sell beans cooked, roasted, ground (maybe prepare cakes from the flour), as a paste/dip, as soup, etc.
- 5. Participate in festivals/expos**
- 6. Create a WhatsApp group or text message list**
 - a) Advertise your latest offerings to a group of interested individuals so they know what you have available to purchase
- 7. Promote health benefits of beans/produce**
 - a) Explain the health benefits, as this may convince people to buy more from you if they are concerned about their health.
 - b) Cowpeas contain iron and potassium, and are an excellent source of protein. They also contain fibre, which helps to digest food like maize porridge, so that the energy is not stored in the body as fat.
- 8. Sell in appealing packaging**
 - a) Use recycled jars (clean out jam/peanut butter jars once you have consumed the contents) to offer a better transporting and storage container for the customers.
 - b) Consider offering discounts to those who return with these jars.
 - c) Attach recipes, cooking instructions or a special note for an added personal touch.
- 9. Create an informal restaurant and make meals featuring your produce and/or meat**
 - a) If you have a talent for cooking, you can set a day/night every week/month where you prepare a meal and offer restaurant services for that day/night.
 - b) Consider working with other farmers to supply more produce.
- 10. Ask local shebeens if they will sell your beans/produce.**
- 11. Create a notice board in frequented locations in your village (like churches/schools/the conservancy office/ etc.) to notify locals about what you currently have on offer.**



OBJECTIVES

- Participants will gain an understanding of the benefits of applying excellent customer service practices to their business process.
- Participants will gain an understanding of the most important customer service techniques to positively engage their customers.



QUESTION: Why is good customer service important?



- ❖ Either display the prepared Flipchart Sheet or write the reasons why good customer service is important on the flipchart, and discuss.

Flipchart Sheet 12



Customer Service

- Many people in the Zambezi Region have not experienced great customer service.
- You need to make sure you have done everything in your power to encourage customers to do business with you.
- When consumers do not receive adequate customer service and care, they can walk right down the street to the next business to find a company that not only wants their business, but which is also willing to earn it.
- Excellent customer service gives you, the service provider, the upper-hand you need to build customer trust and loyalty.



BEST CUSTOMER SERVICE PRACTICES



- ❖ Discuss the best customer service practices with the participants.

The following are the best practices that service providers should focus on to positively engage their customers:



Set the customers' expectations and present yourself well

- Let a customer know what you are willing to do for them; what service you will give them.
- Follow through on your promises: if you make an appointment, stick to the date and time of that appointment.
- Show a positive attitude and smile often.
- Know your business and products well; show that you are competent about what you are selling.



Listen first

- Customers want to be heard. They want to know you are listening. They want to know that you have an interest in what they have to say. They may ask you for information or advice; use this time to direct them to the right product or service. If they are upset, use active listening to let them know that you hear them, and work to discover the root of the problem. Ask questions, get to the bottom of it, and provide resolutions.



Create customer touch points and follow-up after the sale

- Follow-up with customers and thank them for their business. It shows customers that you care about their satisfaction, and it encourages them to tell others about your business and inspire them to purchase from you. Research shows that follow-up is the best way to create customer loyalty.



Treat your employees as your first customer

- If your employees are happy, your customers will be happy.
- The attitudes and behaviour of your employees will determine your customer service and their satisfaction.
- Employees should be put first, ahead of customers.



SERVICE PROVIDER EVALUATION

It is important that your performance as a service provider is evaluated by your client. In order to achieve this, you need to issue your clients with the Service Provider Evaluation Questionnaire for them to fill out. This will help you to improve your services and your customer service for the following season.



- ❖ Supply the participants with Hand-out #14 (Service Provider Evaluation Questionnaire).
- ❖ Explain to the participants that they must ask their clients to evaluate their service by answering the evaluation questions in the Service Provider Evaluation Questionnaire.
- ❖ Briefly discuss the content of the questionnaire (below) with the participants.

Service Provider Evaluation Questionnaire Questions

<p>1. What village do you live in?</p> <p>2. Which service provider did you use to rip your field?</p> <p>3. How many folos (10 m x 100 m) did you have ripped?</p> <p>4. Are you satisfied with the work performed by this service provider?</p> <p>a) Are the lines well ripped and generally straight?</p> <p>b) Rate the quality of this ripping job by selecting a number between 1 and 10 (1 being very poor quality and 10 being the highest quality).</p> <p>5. Did this service provider have a professional attitude? Did they have good customer service skills?</p> <p>a) If there was a conflict, did they manage it well?</p> <p>b) Was a date for the ripping scheduled in advance? How far in advance?</p> <p>c) Did this service provider show up on this date, or did they reschedule?</p> <p>d) If they rescheduled, how many times did they do so?</p>	<p>e) Were you upset / annoyed by this service provider when they rescheduled?</p> <p>f) Were they friendly and helpful?</p> <p>6. Did this service provider offer a fair and reasonable price?</p> <p>a) If not, what would you be willing to pay?</p> <p>b) Would you be willing to pay more for their services in future seasons?</p> <p>7. Did this service provider go out of their way to help you understand Conservation Agriculture and show you how to plant after your field was ripped?</p> <p>8. Would you hire this service provider again next season?</p> <p>9. Do you have any additional comments you would like to share about your experience with this service provider?</p> <p>10. In what ways could they improve?</p>
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LESSON EIGHT

DESIGNING A SIMPLE BUSINESS PLAN



OBJECTIVES

- Participants will gain an understanding of how to use a business plan to their benefit.
- Participants will gain an understanding of the main sections of a business plan and what information should be included in each section.



QUESTION: What are the purposes of a business plan?



- ❖ Either display the prepared Flipchart Sheet or write the purposes of a business plan on the flipchart, and discuss.

Flipchart Sheet 13



Service providers are encouraged to create and utilise business plans for the following reasons:

- To set goals and objectives for the business and use as guidelines to run the business
- To test the feasibility of an idea
- To seek funding for the business



DESIGNING A SIMPLE BUSINESS PLAN



QUESTION: What are the main sections involved in a business plan?



- ❖ Brainstorm and discuss the main sections involved in a business plan with the participants.

- ❖ Either display the prepared Flipchart Sheet, or write each point on the flipchart during your discussion.

Flipchart Sheet 14



The main sections involved in a business plan are as follows:

- **Executive Summary**
 - Mission Statement
 - Company Information
 - Growth Highlights
 - Products/Services
 - Financial Information
 - Summarise Future Plans
- **Business Description**
 - Products and Services

- Organisation and Management
- **Market Analysis**
 - Industry description and outlook
 - Target market
 - Distinguishing characteristics and critical needs of customers
 - Size of primary target market
 - Competitive analysis
 - SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis
- **Marketing**
 - How has the product been designed to meet the needs of the customer?
 - Pricing strategy and why the customers will pay that price
 - Promotion strategy
- **Operations**
 - Premises of where your business is or will be located
 - Equipment, machinery, vehicles, etc.
 - Employees (current and prospective)
 - Product manufacturing/production cycle
- **Financials**
 - Prospective financials – include list of assumptions
 - Projected sales and Income statement
 - Breakeven analysis
- **Implementation**
 - Action plan and Launch timeline



❖ Supply the participants with Hand-out #15 (Business Plan Template).

❖ Instruct the participants to try to complete the sections for their own business idea. They should use the information they obtained from their research conducted during their feasibility study.

(This process will most likely take up to a few weeks.)

❖ When they are finished with their business plans, you need to review and edit the plans with each individual to make sure they contain all the necessary information, that they are realistic and technically correct, and that they have excellent spelling and grammar.

TRAINING EVALUATION



To evaluate the effectiveness of the training provided, ask the following questions and discuss their answers:

- What did you like most about this training workshop?
- What aspects of the training could be improved?



To further evaluate the effectiveness of the training provided, supply the participants with the Evaluation Form (Hand-out # 17) for them to complete.

2.3 SESSION TWO

INPUT AGENTS



WHO IS THE TRAINING IN SESSION TWO INTENDED FOR?

Session Two's training is intended for potential input agents.

WHO WILL DELIVER THE TRAINING?

Representative from the Input Agent Firm.

DURATION

The duration of time needed to train Lesson 1 is 4 hours.

OBJECTIVES

Participants who receive training will be able to accomplish the following:

- Discuss the specifics of the seeds they will be selling
- Explain techniques to market the seeds better
- Track and record their seed sales
- Understand the nature of their contract with the input provider

MATERIALS REQUIRED FOR SESSION TWO

- A flipchart stand; at least one roll of flipchart paper; different coloured marker pens
- Prepared Flipchart Sheets (as required)
- Paper and pens for the participants
- Seeds
- Enough copies of the Evaluation Form (Hand-out #17)

TRAINING CONTENT FOR SESSION TWO

LESSON 1	Basic training of input agents	4 hours
Training Evaluation	Assessment of participants' understanding	

LESSON 1

BASIC TRAINING OF INPUT AGENTS



OBJECTIVES

- Participants will gain an understanding of the specifics of the seeds they will be selling.
- Participants will be able to explain techniques to market the seeds better.
- Participants will be able to track and record their seed sales.
- Participants will gain an understanding of the nature of their contract with input providers.



NOTE FOR THE INPUT REPRESENTATIVE OF THIS SECTION OF TRAINING

- This is a basic layout of what needs to be covered while training the input agents, but be sure to bring any specific resources that you require to deliver this training.
- If there are any seed varieties which are not included below, please add these.



SEED CHARACTERISTICS

Zamseed Company Limited has maize varieties which cater for farmers' needs and environmental conditions (agro-ecological regions) of the country and the surrounding regions. Zamseed has varieties in the 400 series, which indicate early maturing; the 500 series, which indicate early to medium maturing; the 600 series, which indicate medium maturing; and the 700 series, which indicate late maturing. These hybrid varieties are resistant to all common maize diseases; and their cobs have good husk cover which protects the cobs from cob rot. These varieties also have grain types which are semi-dent to flint, which protects them from insect damage and allows for resilient storage and effective milling.



❖ *Display a prepared summarised Flipchart Sheet or write a summarised version of the Zamseed varieties of seed on the flipchart.*

❖ *Describe and discuss the various seed varieties offered, including their names, maturity time, estimated yield, and any other noteworthy characteristics, such as their resistance to drought or pests.*

Flipchart Sheet 15



The Zamseed varieties which were marketed in the context of the SCP project are as follows:

MAIZE SEEDS

ZMS 402

ZMS 402 is an early maturing double crossed hybrid with small plant architecture. The plants are approximately 200 cm in height and ear placement is as low as 80 cm. The leaves are dark green and the leaf blades are of medium size. The

flowers form approximately 57 days after sowing and the silks follow 2 to 3 days later. This hybrid produces a long cylindrical cob with 12 to 16 rows, which is fairly well covered by the husk. The grains are semi-flint to flint, small and round, and have a hard texture.

This variety yields well up to 7 tons/ha. It has very good water-logging resistance and drought tolerance, as well as fairly good resistance to most common maize diseases. Due to its early maturity and sweet flavour, this hybrid is ideal for green maize.

ZMS 528

ZMS 528 is a medium to early maturing three-way crossed hybrid. The plants are of medium height (240 cm), and the cobs form at 120 cm. The leaves are dark green with long narrow leaf blades. The flowers form approximately 58 days after sowing and the silks follow 2 to 3 days later. The cobs are of medium thickness; long and cylindrical with 12 to 16 rows; and fully covered by the husk. The core of the cob is white. The grains are flint, medium-sized and round, and have a hard texture.

This hybrid has very good drought tolerance and water-logging resistance; and good resistance to cob rot, leaf blight and rust. This variety yields up to 8 tons/ha. It is well adapted to all maize growing areas, and matures within 115 days.

As this variety has stable yields, even in low fertility conditions, it is ideal for small-scale farmers.

ZMS 606

ZMS 606 is a medium maturing three-way crossed hybrid. The plants are of medium height (240 cm), and the cobs form at approximately 120 cm. The leaves are of medium length and width, and moderately dark green in colour. The tassels flowers from approximately 65 days after sowing and the silks follow 2 days later. The cobs are of medium thickness; cylindrical with 16 to 18 rows; and well covered by the husk. The grains are semi-dent and white, with a hard texture. It has good resistance against leaf blights; and excellent resistance against rust and cob rot.

This variety has a high yield potential of 8-9 tons/ha. It is widely adapted to all maize growing regions in the country, and reaches maturity around 125-130 days. As this variety has a tendency to produce double cobs, it makes it more suitable and appealing for small-scale farmers.

OTHER CROP SEEDS

Pearl millet (*Pennisetum americanum*), commonly known as bulrush millet, is probably the most drought tolerant of all the cereals. It performs better than other cereals in poor soil with moisture stress and high heat, and it shows a spectacular response to favourable environments and better management. It is grown almost entirely as a rain-fed crop in the semi-arid regions of South Asia and Africa, where the mean annual rainfall ranges from 200 to 800 mm (Mahalakshmi and Bidinger, 1985).

Sorghum is the world's fifth largest cereal. In Africa, south of the Sahara, sorghum is the second most important cereal after maize. It is the most competitive and productive cereal crop in the 600 to 800 mm rainfall zone. In the developing world, the bulk of the crop is grown by resource-poor small-scale farmers for their subsistence. Three years' mean yields for Africa, India and USA for 1989 were 790 kg/ha, 790 kg/ha and 3940 kg/ha, respectively. With the present changes in agriculture, world production and the area of this traditional crop have declined in

the past decade, mainly because of the lack of industrial utilisation and technological development. However, crop productivity has increased in some countries.

Groundnuts are grown for their edible seeds, which are used as a nutritious pulse and not as an oil seed. The fresh seeds may be eaten in their unripe stage, but the mature seeds are very hard and have to be roasted or boiled. The dried seeds are sometimes ground into flour. The ripe seeds produce an almost balanced food, with 16-21% protein, 4-7% fat, and 50-60% carbohydrates.

Cowpea (*Vigna unguiculata*) is closely ranked to common beans as a food legume in Africa. It performs well in the hotter, drier parts of Zambia, where it replaces the common bean as a food crop for grain and greens. Due to a strong tap-root, cowpea has good tolerance for drought, which also makes it more adaptable to lighter and sandier soils than many other legumes.

Vigna unguiculata is sub-divided into 5 sub-species, of which 3 are cultivated types. Sub-species *unguiculata*, the common cowpea, is one of the cultivated sub-species and the most widespread and diverse.

Cultivated cowpeas are annual herbs whose remarkable morphological diversity, and the physiological basis for it, have been studied intensely over the past decade in both controlled and field environments.



SIMPLE ACCOUNTING PROCEDURES



- ❖ Explain the procedures for tracking seed sales, and outline the preferred methods for managing Invoices, Cash Books, Record Books, and for how to use a Cash box.



CONTRACT OVERVIEW



- ❖ Explain the terms of the contract to be signed with the input supplier. (These are not determined by the project; therefore the nature of the contract varies based on the input supplier and thus the hand-out is not included in this manual.)
- ❖ Discuss commission based on input supplier's working procedures.
- ❖ Issue a copy of the contract to potential input agents to review.



MARKETING



QUESTION: How can seeds be marketed?



- ❖ Brainstorm various ways to market seeds.
- ❖ Display the prepared Flipchart Sheet or write the following four ways to market seeds on the flipchart, and discuss.



HOW TO MARKET SEEDS

- Inform Traditional Authorities and Conservancy Management Committees
- Demonstration plots
- Carry out marketing campaigns with input providers
- Sales meetings and talks

TRAINING EVALUATION



To evaluate the effectiveness of the training provided, ask the following questions and discuss their answers:

- What did you like most about this training workshop?
- What aspects of the training could be improved?



To further evaluate the effectiveness of the training provided, supply the participants with the Evaluation Form (Hand-out #17) for them to complete.

2.4 SESSION THREE

SERVICE PROVIDERS



WHO IS THE TRAINING IN SESSION THREE INTENDED FOR?

Session Three's training is intended for service providers.

WHO WILL DELIVER THE TRAINING?

The lessons will be delivered by a business trainer.

DURATION

The training will take 4 hours.

OBJECTIVES

Participants who receive training will be able to accomplish the following:

- Define a business service provider
- Discuss the conditions that favour the use of a service provider
- Analyse the possibilities of developing tillage or ox-cart business services in their communities
- Estimate demand for services in their area
- Analyse costs and review labour involved in providing tillage/ox-cart services
- Cite factors to market targeted services
- Calculate pricing for targeted services
- Determine break-even points and feasibility of the targeted services
- Draft a simple marketing plan

MATERIALS REQUIRED FOR SESSION THREE

- A flipchart stand; at least one roll of flipchart paper; different coloured marker pens
- Prepared Flipchart Sheets (as required)
- Paper and pens for the participants
- Enough copies of the Evaluation Form (Hand-out #17)
- Hand-out #16

TRAINING CONTENT FOR SESSION THREE

LESSON 1	Tillage and ox-cart manure transport as a business service	1 ½ hours
LESSON 2	Review costs, demand and pricing – Marketing plans for tillage and ox-cart services	2 ½ hours
Training Evaluation	Assessment of participants' understanding	

LESSON 1

TILLAGE AND OX-CART MANURE TRANSPORT AS A BUSINESS SERVICE



OBJECTIVES

- Participants will be able to define a service provider.
- Participants will be able to discuss the conditions that favour the use of a service provider.
- Participants will be able to estimate demand for tillage or manure transport services in their area.
- Participants will be able to determine break-even points and the profitability of the activity.



QUESTION: What is the definition of a service provider?



- ❖ Brainstorm the definition of a service provider with the participants.
- ❖ Display the prepared Flipchart Sheet or write the definition of a service provider on the flipchart.

Flipchart Sheet 17



Definition of a Service Provider

A service provider is an organisation or an individual that offers a service to others in exchange for payment.



- ❖ Brainstorm some service provider businesses in the rural Zambezi Region with the participants.
- ❖ Write the participants' answers on the flipchart and add any from the list below which have not been mentioned.

Service provider businesses in the rural Zambezi Region include the following:

- Tillage
- Field clearing
- Weeding
- Herding cattle
- Transporting manure
- Spraying pesticides and/or herbicides



FACTORS THAT DETERMINE WILLINGNESS TO PAY



- ❖ Based on the above-mentioned listed services, conduct a group discussion about the differences between carrying out a service by oneself and paying for a service.
- ❖ Ask the participants to consider the question: **When will farmers tend to do something by themselves and when will they look to pay for services?**



- ❖ After the discussion, brainstorm the factors which lead to an increased willingness to pay for services.
- ❖ Write the participants' answers on the flipchart and add any from the list below which have not been mentioned.

Factors which lead to an increased willingness to pay for services include the following:

- Whether or not the quality is worth the price
- Whether the consumer has the time and economic resources (capital and tools) to carry out the activity themselves
- The perceived necessity and complexity of the service— its perceived value to the potential clients
- The return on investment
- Consumers' income and budget for that activity
- Characteristics or demographics of the targeted population (e.g. age, gender, status, race, etc.)
- The overall state of the economy
- Market trends (are other people hiring someone for this service?)
- Fairness of the price compared to those of alternative options (e.g. the price of ripping services compared to the price of traditional ploughing services)



ELABORATION OF DEMAND ANALYSIS



- ❖ EXERCISE: Ask the participants to brainstorm what questions they should ask their potential customers to determine if there is a demand for their service. Write their responses on the flipchart.
- ❖ Supply the participants with Hand-out #16 (Service Provider Demand Questionnaire).
- ❖ Briefly discuss the questionnaire questions with the participants.
- ❖ Ask the participants to use the questionnaire, and the other appropriate questions they have brainstormed, to help determine demand for their chosen service in their area.



NOTE

► Regarding Question 1 of the questionnaire:

If any of the participants are still unsure about the benefits of using CA methods, use this time to re-explain the benefits to them, so they will be able to adequately respond to their potential clients' question about CA.

SERVICE PROVIDER DEMAND QUESTIONNAIRE QUESTIONS

QUESTIONS

1. Are you currently practising Conservation Agriculture (CA)?
If not, why?
2. Which methods are you currently using for tillage and manure transport?
3. Are you doing these services yourself, or do you hire someone else? Why
4. If you till using the basin method, would you be willing to pay for someone to rip your field to reduce labour? Or do you prefer the hand-hoeing method?

5. Are you able to obtain enough manure on your own?
6. Do you own the tools needed for traditional farming?
Would you be willing to abandon this investment to start practising Conservation Agriculture?
7. Would you be interested in hiring someone for ripping/manure transport services?
8. How much would you be willing to pay for either or both of these services, per folo (10 m x 100 m) / load? (Provide an estimated figure.)



DETERMINING THE FINANCIAL FEASIBILITY OF THE SERVICE



- ❖ Together with the service providers, calculate breakeven points for each individual and discuss the profitability of their activity.
- ❖ Display the Calculating Breakeven Flipchart Sheet or write the considerations and questions on the flipchart to guide the participants during this exercise.

Flipchart Sheet 18



CALCULATING BREAKEVEN

A business's break-even point is the stage at which revenues equal costs.

To calculate this, you will need:

- Cost of materials (ripper, yoke, etc.) and labour cost
- Depreciation rate of materials (ripper and oxen)
- Agreed upon price for services
- If credit is needed to purchase materials, what is the interest rate, payback period, and monthly principal payment amounts?

Breakeven units = Fixed costs / (Revenue per unit – variable cost per unit).

Fixed costs will be the total costs of equipment and depreciation cost (and interest expense and principal loan payments if applicable).

Revenue per unit will be the agreed upon price (for ripping, it should be the price per hectare).

The only variable cost will be the labour cost (for ripping, it will be labour cost per hectare).



- ❖ Work through this example on a separate sheet of flipchart paper.

For example:

- ➔ If a ripping service provider spent N\$1910 on equipment and had a depreciation cost per year of N\$98, their total fixed costs would be N\$2,008.
- ➔ If they agreed with their clients that they would charge N\$1,000 per hectare, this would be the revenue per unit.

- If they agreed to pay two men N\$50 each per hectare ripped to help them guide the oxen, and pay themselves N\$100 for guiding the ripper per hectare, their labour cost per hectare would be N\$200.
- In this scenario, the service provider's breakeven point in units would be $N\$2,008 / (N\$1,000 - N\$200) = 2.51$ hectares.
- This means the service provider would need to rip 2.51 hectares before they could start making a profit on their service business.

Flipchart 18 continued...



After calculating breakeven, you will need to reasonably estimate whether your service business will be profitable.

To do this, you will need:

- Estimate of demand for services in the service providers' respective communities and their **capacity** (how many clients can each service provider feasibly serve during this season?)
- Breakeven point



❖ Discuss the following additional information regarding capacity, and estimating whether a service business is profitable after calculating breakeven.

❖ **Capacity** is estimated through a service provider's personal reflection of how much time they can reasonably dedicate to the business, if they are passionate about the service, the locations of their potential clients, and how many service hours they can manage before they become too overworked and tired.

❖ If (based on demand and capacity of the service provider) it can be determined that the service provider will not break even within the first or second season, then it is not feasible for them to start that service provision business.

Their time would most likely be better spent pursuing another business venture that would be more profitable and break even more quickly than the service provision business.

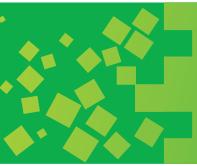
❖ If the service providers are taking out a loan, they will need to determine if they will be able to pay back the loan with interest by the time it is due – is it expected that they earn enough from their service this season?

❖ As long as the service provider can break even within the payback period of the loan, it should be feasible for them to take out that loan.

LESSON 2

REVIEW COST, DEMAND AND PRICING

MARKETING PLANS FOR TILLAGE AND OX-CART SERVICES



OBJECTIVES

- Participants will be able to review costs and review labour involved in providing tillage or ox-cart services.
- Participants will be able to calculate pricing.
- Participants will be able to cite factors to market targeted services.
- Participants will draft a simple marketing plan.



REVIEW COSTS



❖ Brainstorm the costs involved in setting up tillage and ox-cart services with the potential service providers.

❖ Write their answers on the flipchart. Add any from the list below if they have not been suggested.

Material and equipment costs include:

- Ripping Service
 - ripper
 - plough frame
 - oxen
 - animal feed (if necessary)
 - vaccinations for oxen
 - chain
 - yoke
- Manure Transport Service
 - ox-cart
 - oxen
 - animal feed (if necessary)
 - vaccinations for oxen

Other costs include:

- labour costs
- advertising expenses
- airtime
- depreciation



❖ Discuss with the participants the notion of depreciation and when tools need to be replaced, in order to calculate cost more accurately.

❖ Calculate the depreciation for a ripper (the complete set, including the frame) on the flipchart.

Depreciation is a reduction in the value of an asset over time, due in particular to wear and tear.

Steps for calculating depreciation:

- Determine the asset's purchase value and its lifespan. (A complete ripper set from Zambia costs about N\$1460, and its lifespan is approximately 15 years.)
- Divide the asset's purchase value by its lifespan in years to calculate the depreciation cost per year. (For our ripper example, the depreciation cost per year would be N\$1460/15 years = N\$97.33 per year.)

Note

Mention the following to the participants:

Should anyone be interested in eventually purchasing their own ripper, mention that the traditional plough would not be completely lost because some of the parts of a traditional plough can be used with a ripper.

REVIEW DEMAND



❖ Evaluate the demand for service providers' businesses, based on the field research carried out in Lesson 1.



❖ Based on observed demand and perceived potential of market services, work with individual potential service providers to estimate their demand.

(If only a small minority is willing to hire that service, it should be determined that it is not feasible to undertake that service in that community at the present time. This may change as the community becomes more aware of CA methods.)

REVIEW PRICING



❖ Based on the result of the market survey, ask the group to review what farmers were willing to pay to hire the service.

❖ Work with the service providers on how to determine the best pricing strategy considering the costs of materials, potential demand, the competition's costs, and how much profit they would like to earn per unit.

The points to consider for the best pricing strategy are as follows:

- The price must at least be able to cover the cost per unit in order to break even. For example, if it is determined that the cost per hectare ripped is N\$100, the price must be higher than this amount to cover the costs and to add profit for the business owner.
- Unless the value is of superior quality to that of the competition, the price should not stray far above the competition's. For example, if the price to hire an individual to traditionally plough one hectare is N\$2,000, the price to rip one hectare should be at or below this price.
- The price should also not stray too far from what the potential clients indicated they are willing to pay for the service. For example, if the average price the consumers indicated they were willing to pay when they were surveyed to determine demand is N\$1800 per hectare, the service provider should not set their price much higher or lower than this figure. This will hopefully attract the optimal number of clients while obtaining a reasonable profit.



DEVELOP A MARKETING PLAN

You must first promote Conservation Agriculture and help farmers to understand how to use its methods!

You cannot sell the idea of your service provision business if you cannot first convince farmers to try CA.



- ❖ *Discuss how to best promote services with the participants.*
- ❖ *Refer to Session One, Lesson 6 on Marketing, and discuss the options for Promotion, as well as best customer service practices to employ under People.*



- ❖ *For those potential service providers who determine that tillage or ox-cart service provision is feasible, they need to draft simple marketing plans for their activity.*
- ❖ *Display the prepared Flipchart Sheet below with considerations to guide the participants in this exercise.*

Flipchart Sheet 19



METHODS OF PROMOTION

You must first promote Conservation Agriculture and help farmers to understand how to use its methods!

You cannot sell the idea of your service provision business if you cannot first convince farmers to try CA.

Keep these viable options in mind:

- Accuracy and attractiveness of advertisements
- Word-of-mouth
- Calling people you know or previous customers
- Social media (WhatsApp, Facebook, website, etc.)
- Flyers placed at frequented locations
- Sales or discounts
- Community meetings with Traditional Authorities
- Demonstrations of the service

When you are designing your marketing plan, be specific about which methods you will use, how often you will use them, where you will use them, the amount of people you will strive to reach using each method, and (if applicable) describe the design of the advertisement (colours used, information to be included, any images, etc.)

BEST CUSTOMER SERVICE and SALESMANSHIP PRACTICES

- Use friendly introductions: Smile and be helpful.
- Know the business, how the service works, and Conservation Agriculture.
- Be professional and serious.
- Be clean and well-dressed during meetings with potential clients.
- Use problem-solving skills if an issue arises.
- Have a positive attitude.

- Be timely and live up to your promises (if you make an appointment to meet with a potential customer or to complete your service, make sure you arrive on time and finish within an appropriate amount of time).
- Actively listen to the customers' needs.
- Do not be afraid to negotiate with customers if it means making a sale that you would have otherwise not obtained.
- Remember that a great salesperson goes out and finds people to hire their service—they do not wait for customers to come to them!

TRAINING EVALUATION



To evaluate the effectiveness of the training provided, ask the following questions and discuss their answers:

- What did you like most about this training workshop?
- What aspects of the training could be improved?



To further evaluate the effectiveness of the training provided, supply the participants with the Evaluation Form (Hand-out #17) for them to complete.

**CONDUCTING YOUR OWN FEASIBILITY STUDY
QUESTIONNAIRE**

The following are the **STEPS** you need to take and the **QUESTIONS** you need to ask and **ANSWER** when determining the feasibility of your business:

1. Choose a product or service to sell/offer

a) What are your skills and experience?

.....
.....
.....

b) What kinds of businesses already exist in your community?

.....
.....
.....

c) Are there products or services the community needs but does not have?

.....
.....
.....

d) What kind of business can generate the most income?

.....
.....
.....

e) What sounds like fun and is interesting for you?

.....
.....
.....

f) What resources are available to you?

.....
.....
.....

g) How much money do you have to invest?

.....
.....
.....

h) How much time do you have/want to devote to this business?

.....
.....
.....

2. Decide if people will buy/hire the product or service

a) Who is your target market?

.....
.....
.....

b) Are there people already providing this product/service?

.....
.....
.....

c) Who are your direct and indirect competitors?

.....
.....
.....

d) Will you be able to successfully compete with others

.....
.....
.....

e) Do people want or need the product or service?

.....
.....
.....

f) Will the customer continue to buy from you?

.....
.....
.....

3. Determine how the business will operate

a) How will you organise the business?

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.....
.....

b) How big should it be?

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.....
.....

c) Where should it be located or managed from?

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.....
.....

d) What should be your hours of operation?

.....
.....
.....

e) What is involved in the production process?

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.....
.....

4. Calculate the business expenses

a) What are the start-up costs?

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.....
.....

b) What are the monthly fixed expenses?

.....
.....
.....

c) What are the variable costs?

.....
.....
.....

5. Estimate the profitability of the business

a) How much should you charge for this product/service?

.....
.....
.....

b) What should the profit be per product?

.....
.....
.....

c) How many units can you make and how many can you sell? / How many tenders of this service can you complete within a period of time?

.....
.....
.....

6. Determine whether the business is a good idea

a) Can you get financial assistance if you need it?

.....
.....
.....

b) Will this business fulfil your original goals for starting a business?

.....
.....
.....

c) Do you have the time to dedicate to this business?

.....
.....
.....

d) Is it legal?

.....
.....
.....

e) Is it ethical?

.....
.....
.....

7. Seek funding

(Write down your ideas of whom to contact / where to go.)

.....

.....

.....

8. Begin operations

Action

9. Track business revenue and expenses

Action

CASE STUDIES
Feasibility of Projects and Businesses

Think critically and evaluate the feasibility of each project and business.

**CASE STUDY
1****A Barber Shop, a Shebeen, a Car Wash and a Kombi Taxi Service**

Paulus is a 25-year-old unemployed man who lives in your town. He would like to open a barber shop, a shebeen, a car wash and a taxi service.

Previously, Paulus made money doing 'piecework' as a labourer on a construction site and clearing underbrush.

He sees that there are many businesses in the community like the ones he is interested in, and he would like to make lots of money.

**CASE STUDY
2****A Computer Training Centre and a Construction Business**

Stephan has lots of business ideas, but he has decided that he wants to open a computer training centre and a construction business in town.

The other day Stephan told you that most people do not even know how to use a computer. Stephan is pretty good with his laptop, but he is not a certified instructor.

He got the idea for a construction business because he has noticed that people keep moving to town and that they need houses. Stephan knows how to make bricks.

**CASE STUDY
3****A Restaurant**

Maria would like to open a restaurant in a location near town. She is a very good cook and sells fat cakes on the side, but she has never operated a business.

There are several other traditional food restaurants in town.

**CASE STUDY
4****Housekeeping Services, a Bakery, and Catering Services**

Christine is a fruit vendor in town. You talk to her every day on your walk to work. She is excited about your offer to help with her business ideas. Even though she only made it to Grade 8, she is very nice and seems motivated.

She plans to offer housekeeping services, open a bakery, and provide catering services for events. As Christine has a large family, she can use her family members to help out with the businesses.

EXERCISE

CALCULATING VARIABLE AND OVERHEAD COSTS PER UNIT

COSTING SCENARIOS

SCENARIO
1

ABC Chair Crafters

ABC Chair Crafters is a manufacturer of very fine, handmade wooden furniture. Using the Costing & Pricing form, we would like to cost the production of our Swingline Chair.

- The company buys the high quality wood from the supplier at **N\$25 per metre**
- **2 metres** of the raw material is needed to make a chair
- The average employee can make **one chair in two days**
- Each employee works for **20 days per month**
- The group's total monthly production is **50 chairs** (5 employees, 20 days, 1 chair every two days)
- Labour: **N\$100 per day**
- **ASSUME ALL CHAIRS ARE SOLD IMMEDIATELY**
- The company pays a **monthly salary of N\$4,500** to a marketing administrator
- The company pays **N\$200 for electricity** and **N\$350 for water**
- The **telephone bill is N\$400** per month
- The **rent is N\$4000** per month

ANSWER

VC:

Labour (per chair):.....

FC:

.....

Total Cost: N\$

SCENARIO
2

Andy's Tiling CC

Andy's Tiling is a company based in the New Industrial area in Swakopmund that specializes in customized tiling for residential and commercial properties.

Using the Costing & Pricing form, we would like to cost our floor installation service.

- The tile is for a kitchen floor that is 3 x 5 metres, and the tile size will be 30.5 cm x 30.5 cm. To cover the entire kitchen of 15 square metres, you calculate that at least **162 tiles** are needed.
- Price per box of 10 tiles: **N\$1,100 per box**
- Two 2 kg bags of Ceramic Adhesive: **N\$72 each**
- Two 5 kg bags of coloured grout: **N\$50 each**
- You estimate that it will take about **6 hours** to install the tiles, and then you have to wait overnight for the mortar under the tiles to set. You will come back the next day to grout the tiles and clean up, and an area this size will take you about **2 hours** to finish. You charge **N\$45 per hour** for your **labour**.
- You already have the necessary tools to install the tiles on the floor, but you need to calculate your costs so you can give the customer a final price before they commit to using your company to tile their kitchen floor. But, you have around **N\$10,000 overhead** and you apply **15%** of it to each job.

ANSWER

VC:

.....

Labour:

.....

Overhead:

.....

Total Cost: N\$.....

SCENARIO
3

Good Food Take Away

At Good Food Take Away, we offer quick, cheap and easy take away food for people on the go. Good Food Take Away has a contract with 2 local factories where it makes lunch (a hamburger) for 200 workers every work day (5 days per week).

Using the Costing & Pricing form, we would like to work out the cost of making 1 lunch (1 hamburger).

- The company pays **N\$10** for a pack of **20 buns**, **N\$ 15** for **30 slices of cheese**, and **N\$100** for **2 kg of mince**
- Each hamburger uses: **1 bun**, **.10 kg of mince**, and **1 slice of cheese**
- The company makes **4,000 hamburgers per month** (200 hamburgers per day; 20 work days in a month)
- The average employee makes **10 hamburgers per hour**
- Labour costs: **N\$15 per hour**
- The owner pays himself a **monthly salary of N\$3,500**
- The owner pays **N\$300 for electricity** and **N\$350 for water**
- The **telephone bill is N\$450** per month
- The **rent** for the store is **N\$1500** per month

ANSWER

VC:

.....

Labour:

.....

Overhead:

.....

Total Cost per hamburger (Fixed and Variable): N\$.....

CASH BOOK CONTENT

WHAT GOES UNDER EACH HEADING?

Date	Description	Received (Income)	Spent (Expenses)	Balance
------	-------------	-------------------	------------------	---------

- **Description**

- When you start a new page of your cash book, always write the first entry as Balance Brought Forward From (last entry date) under **Description**.
- Make sure you enter the current date under **Date**.
- Place dashes (—) under **Received** and **Spent** (since you are not completing a transaction).
- Place your last entry's total under **Balance** (this ensures that you use the correct balance for your next transactions).

- The three most important details to include under **Description** are:

- The item/service you have sold/bought
- The quantity of the item/service that was sold/bought
- Price of the item that was sold/bought

- **Income** is the money that comes in to your business (usually from the sale of products or services).

- **Expenses** are the amounts of money that flow out of your business (usually for purchasing materials or supplies you need to conduct your business).

- You will never add both a **Received** and **Spent** item on one transaction line (entry); the category that is not being entered should have a dash (—) through the box.
- For example, if I am receiving N\$500 from a client for ripping one hectare, I will put N\$500 under **Received**, put a — under **Spent**, and add N\$500 to my previous balance to enter my new balance under **Balance**.

- **Balance** is the amount of money that should be in your cash box (or wherever you store your money).

Your balance will adjust after each transaction:

- If the entry is for an income item, this money will be added to the previous balance to create a new one.

- If the entry is for an expense item, this money will be subtracted from the previous balance to create the new one.

- Frequently check to make sure the total in your cash book matches the total in your cash box (or wherever you store your money).

- Count your cash before the day begins and after it ends.

④ **Common Problems**

If the amount in the safe differs from the cash book records, it could be due to any one of the following:

- Mathematical error
- Mistakenly put an expense in the **Received** column and added it to the **Balance**, or vice versa
- Someone made a sale or payment, but did not record it in the cash book
- Someone stole money

④ **Buying and selling on credit** should be **recorded in a separate book**.

CASH BOOK CASE STUDY**The Two Brothers Boutique Cash Book Exercise****CASE STUDY****The Two Brothers Boutique Cash Book Exercise**

Information for the state of the store on the 31 March 2006:

- There is N\$5000 in the safe
- Two Brothers Boutique stock 7 products: beer, soda, petrol, rice, OMO, televisions, and radio cassettes.

Transactions of the store for the time period of 1 April 2006 to 30 June 2006:

1. 5 April: Two Brothers sells 20 litres of petrol at N\$7 per litre for N\$140
2. 18 April: Two Brothers sells a television at N\$1200 in cash
3. 26 April: A client, Ms Y, reimburses Two Brothers for N\$1800 in cash
4. 30 April: Two Brothers pay employee salaries of N\$1500 in cash from the safe
5. 3 May: Two Brothers pays the electricity bill of N\$600 with money from the safe
6. 9 May: Two Brothers sells:
 - a) 4 cases of beer at N\$150 each, for a total of N\$600
 - b) 4 cases of soda at N\$40 each, for a total of N\$160
7. 15 May: Two Brothers sells 10 kg of rice at N\$25 per kg for N\$250
8. 25 May: Two Brothers removes N\$2500 from the safe to put into the bank account
9. 30 May: Two Brothers sell 2 radio cassettes at N\$45 each, for a total of N\$90
10. 30 May: Two Brothers pay employee salaries of N\$1500.00 in cash from the safe
11. 5 June: Two Brothers gives N\$250 to collectors for a tax on their products
12. 9 June: Two Brothers sells:
 - a) 5 cases of soda at N\$40 each (N\$200)
 - b) 5 cases of beer at N\$165 each (N\$825)
 - c) 10 kg of rice at N\$50 per kg (N\$500)
 - d) 50 litres of petrol at N\$7 per litre (N\$350)
13. 12 June: Two Brothers sells 10 containers of OMO at N\$20 each, for a total of N\$200
14. 12 June: Two Brothers pays in cash from the safe:
 - a) 100 litres of petrol at N\$500 (N\$5 per litre)
 - b) 10 cases of soda at N\$360 (N\$36 per case)
 - c) 5 cases of beer at N\$600 (N\$120 per case)
 - d) 10 kg of rice at N\$200 (N\$20 per kg)
15. 12 June: Two Brothers also paid N\$200 for transportation of the merchandise to the store
16. 16 June: Two Brothers sold 2 cases of beer at N\$165 each (N\$330), and 2 cases of soda at N\$40 each (N\$80)
17. 17 June: Two Brothers sold to a client, Ms Y, a television at N\$1200 **on credit**

18. 25 June: A client, Ms X, reimbursed a debt of N\$1000 in cash
19. 30 June: Two Brothers paid the electricity bill of N\$1200 with money from the safe
20. 30 June: Two Brothers pay employee salaries of N\$1500 in cash from the safe
21. 30 June: Two Brothers removes N\$1000 from the safe to pay the rent for the building, for the months of 1 April 2006 to 30 June 2006

**CASH BOOK FORM
BLANK TEMPLATE****The Two Brothers Boutique Cash Book EXERCISE**

#	Date	Description	Received	Spent	Total
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					

BUSINESS BUDGET TEMPLATE**BUSINESS BUDGET**

		Budget	Actual
Income			
Sales from Services			
Sales from Products			
Grant/Loan Disbursement			

Total Income			
---------------------	--	--	--

Expenses			
Personal Salary			
Labour			
Equipment			
Depreciation			
Loan Payment			
Marketing/Advertising			
Transportation			
Bank Fees			
Unforeseen Expenses			

Total Expenses			

Savings			

Total Profit			

PERSONAL BUDGET TEMPLATE**PERSONAL BUDGET**

		Budget	Actual
Income			
Salary			
Government Disbursements			
Gifts			

Total Income

Expenses			
Food/Groceries			
Transportation			
Toiletries			
Communication			
Healthcare			
Utilities (water, electricity, gas, etc.)			
School Fees			
Household Supplies			
Rent/Housing Repairs			
Clothing			
Insurance			
Entertainment/Meals Out			
TV/Internet			
Funerals/Weddings			
Charity			
Credit/Loan Payments			
Unforeseen Expenses			

Total Expenses**Savings****Total Monthly Surplus or Shortage**

THE BEAN GAME

(Adapted for Namibia)

The purpose of this game is to help you to understand which items are important for you and which items you are able to give up or downgrade when your monthly income decreases.

Housing

Live in traditional housing with relatives, no utilities (water, electricity, gas)



Live in traditional housing with relatives, sharing utilities



Share housing for rent with others, including utilities



Rent a place of your own in town, including utilities



Communications

Cheap phone with no data, limited calling & messaging



Cheap phone with no data, many minutes and messaging



Smart phone with data, calling and messaging



Recreation

Cable TV, snacks



Fishing, camping, other hobbies



Adventure tours



Occasional weekend vacations close by



Concerts, extended vacations



Savings

5% of Income



10% of income



Invest for retirement



Contribution to church



Gifts

Make handmade gifts



Offerings for weddings and funerals



Frequently give money to family members



Food

Cook at home (little relish); dinner out once per week



Cook at home (a lot of relish); dinner out once per week



Frequently eat out; some meals cooked at home



All meals eaten away from home



Transportation

Walk or Bike **NO COST**



Local Transportation/Hike



Own used car



Own new car



Furnishings



Borrow from relatives

NO COST

Buy from China shops



Buy from furniture store



Clothing



Make your own clothing



Buy at a discount/cheap store
(ex: PEP or china shop)



Buy quality clothing



Buy designer clothes



Personal Care



Basic products (soap, toothpaste, hair cut at home)



Medium priced products and occasional professional hair styling



High end products and frequent professional hair styling



THE FIVE Ps OF MARKETING**PRODUCT (or service)**

- Quality
- Adaptability
- Does it appeal to customers (colour, size, etc.)?
- Appropriate packaging
- Number of products in packaging
- Characteristics – consider what the competition is offering
- Complementary products to pair with
- Inventory management
- Diversify product selection
- Perishability
- Functionality – does it have multiple features?
- Repair and/or replacement services

PRICE

- Quality justifies price
- Willingness to pay
- What price point is your competition using?
- Must at least cover your costs of producing and selling the product (includes transportation and marketing costs)
- Extra fees for packaging/gift wrapping
- Supplier relations
- Special offers (bundles and bulk discounts)
- Reduced prices for products about to expire
- Consider demand
- Locations in towns/cities can justify higher prices

PROMOTION

- Accuracy and attractiveness of advertisements
- Distinguish from competitors
- Business sign for physical location
- Signs for product descriptions and prices where necessary
- Business cards
- Stall/table at open market
- Media advertisements (TV, radio, newspaper, etc.)
- Word-of-mouth (calling people you know or previous customers)
- Social media (WhatsApp, Facebook, website, etc.)
- Flyers placed at frequented locations
- Samples of product
- Gifts with other purchases (customers who buy in high quantities could warrant a discount or gift)
- Sales or discounts
- Product display, placement, and labels in shop
- Merchandise
- Free advertisements through news media (if the media are highlighting a story about your business)
- Employees who will attract customers to the products

PLACE

- Location of customers
- Foot traffic- place where people frequently walk by
- Popular locations
- Location of Business
- Delivery
- Location of competitors
- Hours of operation
- Location of suppliers
- Physical location aesthetics- appealing to customers (cleanliness, decorations, atmosphere)

PEOPLE (Employees)

- Friendly welcome
 - Smiling
 - Helpful
- Know the business and products
- Professional and serious
- Customer service and communication skills (affects word-of-mouth)
- Clean and well-dressed
- Problem-solving skills
- Positive attitude
- Negotiation skills/empowerment

SCENARIO**IMPROVE MARKETING FOR PRODUCE SALES****EXERCISE**

- You are a grower of produce, specifically tomatoes, green peppers, local spinach and onions.
- You do not offer any kind of packaging to contain your vegetables, and the quality, size, and colour are not consistent across your product selection.
- You only sell the raw product.
- You produce your vegetables using traditional seeds and do not use any extra fertilizer for the soil.
- There are two other people in your village selling these vegetables, but one also sells beans, cabbage and carrots.
- Usually half of the produce you try to sell goes unsold, which you consume just before it rots.
- You do not have a special location for storing your crops – you place them in the corner of your house, uncovered.

- Your current price is N\$5 for 3 medium-sized tomatoes, peppers or onions.
- You charge N\$1 for a bundle of 5 medium-sized leaves of spinach.
- Your competitors are charging N\$10 for 3 medium-sized tomatoes, peppers or onions, and N\$2 for a bundle of 5 medium-sized leaves of spinach.
- You never have any special offers.
- You do not have any transportation costs.
- You keep reusing seeds, so there is no seed cost.
- Since your crops are currently rain-fed, you do not have any water costs.

- You are currently selling your vegetables from inside your house.
- There is no signboard outside your courtyard to indicate what you are selling.
- Your customers only know what you are selling when you tell them in person.

- Your house is located in the back corner of a small village, about 80 km from the nearest town.
- You do not have any known business hours.
- You do not offer a delivery service (people must come to your house to purchase items).

- You do not currently have any employees.
- Your customer service skills are poor. You rarely greet customers or smile, and if anyone has an issue with your product, you do not help them in any way.

**IMPROVE MARKETING FOR PRODUCE SALES
EXERCISE**

**One P for each of the five groups
QUESTIONS**

**GROUP
1**

PROMOTION

- What means can I use to inform the public about my product and its good quality?
- How can I inform more people?
- Are these means suitable for the targeted customers?
- (It is necessary to consider the appropriate modes of communication.)
- What is informing people about my product? Is it accurate and attractive?
- How can I distinguish myself from the other sellers?

How can I improve **Promotion**?

- Put a sign in a visible place to inform people that you are selling a product.
- (This sign should be big, nice and attractive, and not solely based on words.)
- Speak with people (friends, family, and strangers) and ask them to tell others what you are doing and that you are doing it well.
- Give discounts to people who bring you new customers.
- Call people with a loud voice.
- If you have a shop, you can play music that is pleasing to the customers' ears.
- Display and organise your product in a nice and effective manner.
- Demonstrate the product. Demonstrate how it is used, or if it is food, offer samples to people to test.
- Mark the price on the product.
- Obtain business cards.
- Create a photo album or an album of examples.
- Create a slogan.
- Design a nice logo that represents your business.
- Put labels with your logo on your products.
- Publicize on the radio.
- Distribute brochures and flyers.
- Put posters up at frequented places.
- Rent a car with loud speakers to publicize on market days.
- Put products on sale (reduce the price for a few days).
- Give occasional samples.

GROUP
2

PRODUCT

(This is the service that you render, a product you buy and sell, or a manufactured product.)

- How does the quality of my product respond to the needs and desires of actual or potential customers, and in relation to the products of my competitors?
- What are my competitors selling?
- What characteristics of my product please my customers?
- What can I do to improve the quality of my product during production?
- Can I change the raw material to strengthen the quality?
- Is my product adaptable to changes in the market? That is, can my product be changed?
- Is it necessary to change the form, the size, the colour, or the odour of my product?
- Is the level of production sufficient (but not excessive) to satisfy the demand of customers?
- Can I prevent surpluses (and shortages) of my product?
- Can I package my product to protect it and to make it look nice?

How can I improve **Product**?

- Identify what characterizes a 'good product' according to your customers.
- Install a system of quality control that ensures the characteristics of a 'good product'.
- Change the colour, size, odour, taste, packaging, etc. of your product to better satisfy the customers.
- Change your product's raw material to improve its quality.
- Identify the production techniques that contribute to the making of a 'good product'.
- Can I improve the quality of my product?
- Are there any products or services that complement what I currently sell?
- Know the characteristics of the products of your competitors.
- Improve the system of storage to avoid shortages in stock.
- Are there ways to improve storage of the product?

GROUP
3

PLACE

- Where do my customers live?
- Which places do people frequent in the village?
- Is my product easily accessible for people?
- How can I move closer to my customers?
- What operation/opening hours will please my customers?
- How can I distribute my product more effectively?
- Is my store/workshop well-lighted, clean, well-organised, and attractive?

How can I improve **Place**?

- Sell at several places.
- Study your competitors' places.
- Test your product by trying to sell it in areas of the village which are much frequented.
- Choose operation/opening hours that are pleasing to your customers.
- Make travelling sales.
- Be close to the raw materials you need to avoid high transportation costs.

- How many of my customers are ready to pay for my product? (It is necessary to consider customer needs and competitor prices.)
- Can I attract other customers with special offers? (Sales, the 10th product free, lower prices during certain seasons of the year, etc.)
- How did I calculate my price?
- Are there fluctuations in the price of the raw materials, and do I gain from the reduction in price?
- Is it possible to buy less expensive raw materials?
- Are there possibilities for cooperation between my supplier and me?

How can I improve Price?

- Taking into consideration both the direct and indirect costs, determine the price of selling your product with the amount of profit that you desire.
- Search for raw materials that are less costly.
- Gain from fluctuations in the price of the raw material. If possible, buy more when the price is less.
- Search for modes of transport that cost less.
- Cooperate with sellers of raw materials to avoid intermediaries.
- Test your product at a higher price to see the customers' reactions.
- Watch your competitors' prices.
- Give special offers.
- Give gifts to attract new customers to the business or to encourage regular customers to continue coming to your business. For example, pencils, pens, calendars, etc. with the name of the business printed in them. Or you can tell the customer, "If you buy five, I will give you one at half price."
- Offer a less expensive product to attract customers who will buy other things also.

- Does each employee represent the business and its desired image well? For example:
 - Does each employee know the product and its price well?
 - Does each employee respond to the needs and questions of the customers?
 - Is each employee professional and serious?
 - Is each employee clean and well-dressed?
 - Is each employee effective?
 - Does each employee know how to sell and communicate well?

How can I improve People?

- Employ people who are well qualified.
- Define the responsibilities and your expectations of each job.
- Give good customer service.
- Create motivations for excellent work. For example, give employees who continue to do great business a raise.)
- Confront performance problems when they happen.

SUGGESTIONS FOR PROMOTING PRODUCE AND BEAN SALES

- 1. Form relationships with the lodges**
 - a) Work with other farmers to arrange a business agreement with the lodges for a 'local night' every month (or if possible, more frequently), where the farmers supply fresh produce and meat to feature seasonal products and promote local agriculture.
- 2. Form relationships with local schools or universities such as UNAM or VTCs**
 - a) Offer fresh produce from gardens for them to prepare in their cafeterias/dining halls for their students.
- 3. Organise a farmer's market**
 - a) Work with other farmers to sell produce and other handmade items/crafts at a stall once a week or month at a specific time and location.
- 4. Experiment with new ways to prepare beans/vegetables**
 - a) Share new recipes with customers to encourage them to buy more of your products and diversify their meals.
 - b) For example: sell beans cooked, roasted, ground (maybe prepare cakes from the flour), as a paste/dip, as soup, etc.
- 5. Participate in festivals/expos**
- 6. Create a WhatsApp group or text message list**
 - a) Advertise your latest offerings to a group of interested individuals so they know what you have available to purchase
- 7. Promote health benefits of beans/produce**
 - a) Explain the health benefits, as this may convince people to buy more from you if they are concerned about their health.
 - b) Cowpeas contain iron and potassium, and are an excellent source of protein. They also contain fibre, which helps to digest food like maize porridge, so that the energy is not stored in the body as fat.
- 8. Sell in appealing packaging**
 - a) Use recycled jars (clean out jam/peanut butter jars once you have consumed the contents) to offer a better transporting and storage container for the customers.
 - b) Consider offering discounts to those who return with these jars.
 - c) Attach recipes, cooking instructions or a special note for an added personal touch.
- 9. Create an informal restaurant and make meals featuring your produce and/or meat**
 - a) If you have a talent for cooking, you can set a day/night every week/month where you prepare a meal and offer restaurant services for that day/night.
 - b) Consider working with other farmers to supply more produce.
- 10. Ask local shebeens if they will sell your beans/produce.**
- 11. Create a notice board in frequented locations in your village (like churches/schools/the conservancy office/etc.) to notify locals about what you currently have on offer.**

SERVICE PROVIDER EVALUATION

QUESTIONNAIRE

1. What village do you live in?

.....

2. Which service provider did you use to rip your field?

.....

3. How many folos (10 m x 100 m) did you have ripped?

.....

4. Are you satisfied with the work performed by this service provider?

.....

a) Are the lines well ripped and generally straight?

.....

.....

b) Rate the quality of this ripping job by selecting a number between 1 and 10 (1 being very poor quality and 10 being the highest quality).

.....

.....

5. Did this service provider have a professional attitude? Did they have good customer service skills?

.....

.....

a) If there was a conflict, did they manage it well?

.....

.....

b) Was a date for the ripping scheduled in advance? How far in advance?

.....

.....

c) Did this service provider show up on this date, or did they reschedule?

.....

.....

d) If they rescheduled, how many times did they do so?

.....

.....

e) Were you upset / annoyed by this service provider when they rescheduled?

.....

.....

f) Were they friendly and helpful?

6. Did this service provider offer a fair and reasonable price?

a) If not, what would you be willing to pay?

.....

b) Would you be willing to pay more for their services in future seasons?

.....

7. Did this service provider go out of their way to help you understand Conservation Agriculture and show you how to plant after your field was ripped?

.....

8. Would you hire this service provider again next season?

.....

9. Do you have any additional comments you would like to share about your experience with this service provider?

.....

.....

.....

10. In what ways could they improve?

.....

.....

.....

.....

BUSINESS PLAN

(LAYOUT)

- ➔ Title Page
- ➔ Business Details and Contact information
- ➔ Table of Contents
- ➔ Executive Summary

(This includes a one page or less summary of your business plan. Write this section last, to ensure that it summarises your business plan accurately.)

1. COMPANY INFORMATION

- 1.1 Company Name and Registration
- 1.2 Vision and Mission: A mission statement defines what an organisation is, and explains why it exists. Your mission statement should define who your primary customers are, identify the products/services you produce, and describe the geographical location in which you operate. It should guide the actions of the organisation, spell out its overall goal, provide a path, and guide decision-making.
A vision statement is a declaration of a company's goals for the mid-term or long-term future. It should identify what the company would like to achieve/accomplish.
- 1.3 Business Location: Where do you see your business operating?
- 1.4 Your Company: Describe what your company does in general, what industry it operates in, who its clients are.
- 1.5 Your team: Describe the members in your team, their backgrounds, and job descriptions. If you do not yet have a team, describe who you would need for your team and what skills they would need to have.
- 1.6 Business Model: Describe how your company works, what are the internal and external processes involved, and why this is a preferred method of operation.
- 1.7 Funding Requirements: State whether your company needs start-up funding and give reasons why. Estimate how much funding is required and state where you intend to source it from.
- 1.8 Strategy and Future Outlook: Outline your company's strategy, and include its growth and expansion as well as your future projections for where your business will be in 5-7 years.

2. MANAGEMENT PLAN

- 2.1 Management Structure: Provide a hierarchical structure of your company and how it will grow in the next 3 years.
- 2.2 Personnel: Provide information on the employees and their salary breakdowns for the first year.
- 2.3 Ownership Structure: State who the owners of the company are.

3. MARKETING

- 3.1 Identify your competitors.
- 3.2 Pricing: What is your pricing strategy and explain why?
- 3.3 Distribution: Describe your channels of distribution: how will you get your product to the customers; where will you sell your product; and how will you get it there?
- 3.4 Promotion: What marketing channels will you use? How will you reach new customers?

4. OPERATIONS

- 4.1 Business Process: Explain your business process. Include all your raw materials, units of time, processes, machinery used, skills required, and all the steps that your company uses to supply your customers with your product.
- 4.2 Existing Assets: Provide a list of your company's current assets (land, buildings, machinery) and give an estimate of the net worth of these assets.
- 4.3 Raw Material: What are the raw materials your company needs to produce your product? Where do you currently get these raw materials from and what are the price points?

5. FINANCIALS

- 5.1 Sales Projections: How many products do you expect to sell in the first year? Explain.
- 5.2 Profit / Loss Projection: Estimate what your profits and losses will be in the first year.
- 5.3 Break-even Analysis: Calculate your break-even analysis: either the time it will take for your company to break even or the amount of products you need to sell in order to break even.

6. IMPLEMENTATION PLAN

- 6.1 Set-up Costs: What will be your major costs in the next 6-12 months?
- 6.2 Action Plan: Develop an action plan, including a timeline of activities associated with the next year, for the start-up or operations of your business.
- 6.3 Supply Chain Management: Describe how you have secured your supply chain. Have you contracted any general agreements?

7. ANNEXES

- 7.1 This includes supporting documentation, where applicable.

SERVICE PROVIDER DEMAND

QUESTIONNAIRE

1. Are you currently practising Conservation Agriculture (CA)?

If not, why?

.....
.....
.....

2. Which methods are you currently using for tillage and manure transport?

.....
.....
.....

3. Are you doing these services yourself, or do you hire someone else?

Why?

.....
.....
.....

4. If you till using the basin method, would you be willing to pay for someone to rip your field to reduce labour?

Yes ____ No ____

Or do you prefer the hand-hoeing method?

Yes ____ No ____

5. Are you able to obtain enough manure on your own?

Yes ____ No ____

6. Do you own the tools needed for traditional farming?

Yes ____ No ____

Would you be willing to abandon this investment to start practising Conservation Agriculture?

Yes ____ No ____

7. Would you be interested in hiring someone for ripping/manure transport services?

Yes ____ No ____

8. How much would you be willing to pay for either or both of these services,
per folo (10 m x 100 m) / load?

(Provide an estimated figure.)

.....

.....

.....

Doing Business in Conservation Agriculture

EVALUATION FORM

Venue: _____ Date: _____

Facilitator/s: _____

Evaluation		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1.	The facilitator was knowledgeable about the workshop content.					
2.	The workshop content was well presented by the facilitator.					
3.	The workshop content was relevant.					
4.	The workshop content was easy to understand.					
5.	I gained new information.					
6.	I learnt new skills.					
7.	The allocated time for the workshop was sufficient.					
8.	The workshop met my expectations.					
9.	Workshop logistics:					
a)	Notice for the workshop was given on time.					
b)	The venue was appropriate.					
c)	Transport was well organised.					
d)	Meals and accommodation were satisfactory.					

ADDITIONAL QUESTIONS

1. Which aspect (or aspects) of the workshop did you find the most valuable, and why?

2. Do you have any other comments/suggestions that could help with improving future workshops?

**3. Do you need any follow-up training, or training in other areas?
If so, please list them.**

NOTES

