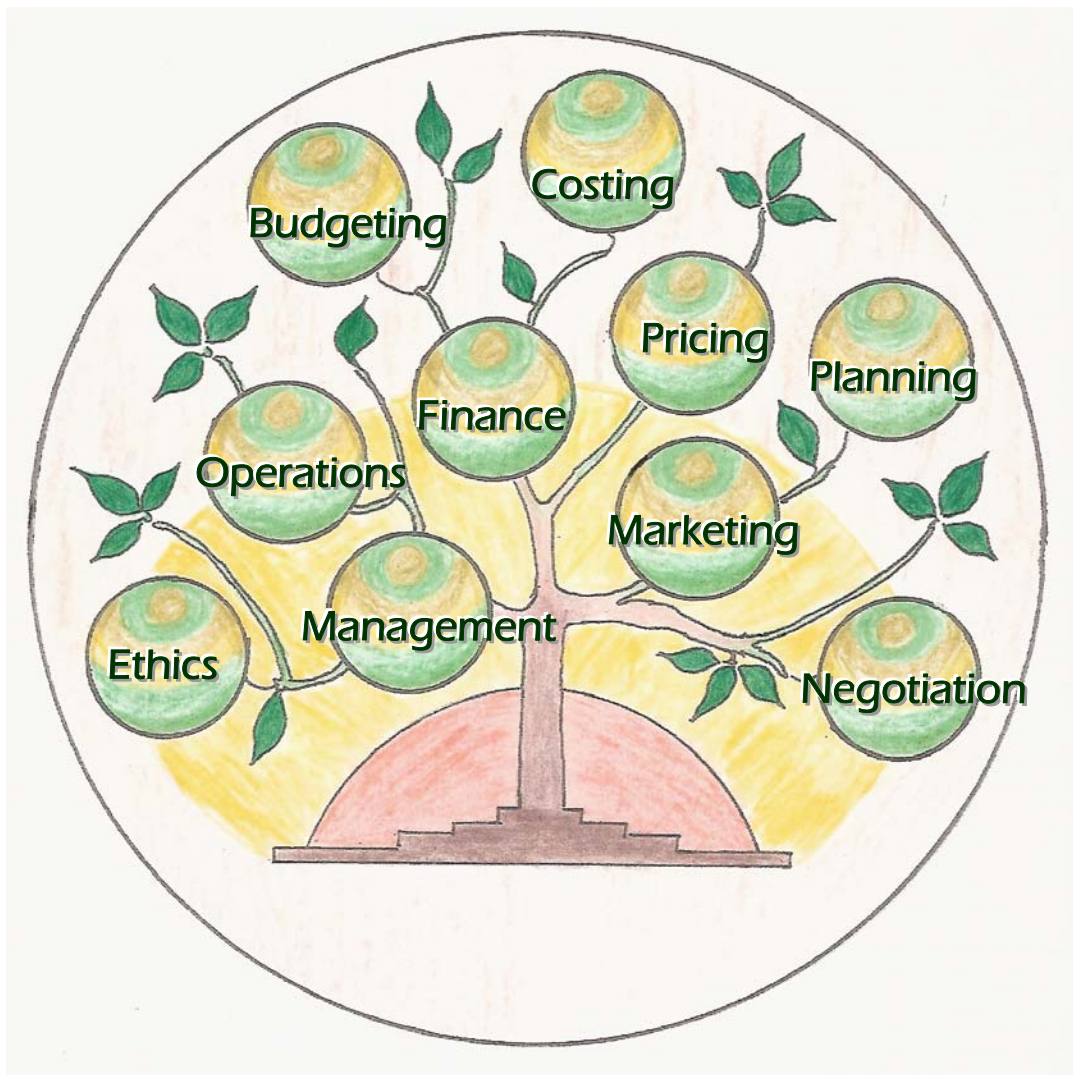


# TARAQI

Building the future...today



## Youth Business Skills Training Program TEACHER MANUAL

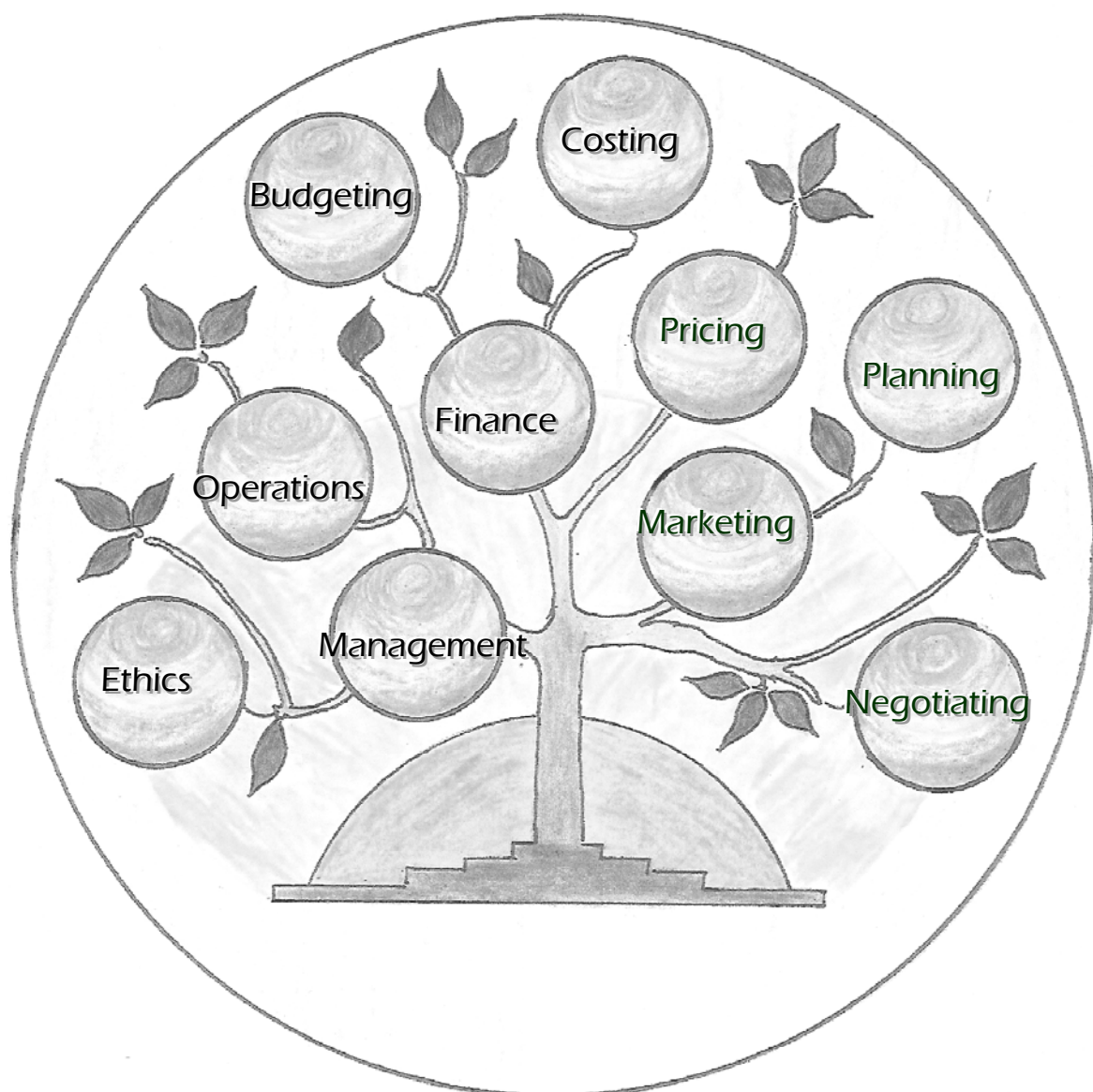


# TARAQI

Building the future...today



## Youth Business Skills Training Program TEACHER MANUAL



Dear Instructor,

Welcome to the TARAQI SABA Youth Business Skills Training Program. TARAQI SABA is an initiative aimed to prepare the next generation of business men and women, by equipping them with business skills.

These materials are designed to help teachers prepare Afghan high school students to better understand the world of business, with emphasis in preparing prospective entrepreneurs to identify business opportunities, write bankable business plans and manage small enterprises.

The extent to which TARAQI SABA succeeds in preparing a new generation of business leaders will greatly depend on the ability and commitment of its instructors. We therefore invite you to periodically revisit the manual and enrich your business knowledge through additional reading and take advantage of other training opportunities.

These materials have been developed by Making Cents International, subcontractor to the Alternative Livelihoods Program for the Eastern Region (ALP/E).

The materials, as part of the TARAQI SABA Business Skills Program, have been made possible by the generous support of the American People through the United States Agency for International Development (USAID). The contents of this course are the sole responsibility of the authors and do not necessarily reflect the views of USAID, the United States Government or Development Alternatives Inc.



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FROM THE AMERICAN PEOPLE

**AFGHANISTAN**

Alternative Livelihoods Program – Eastern Region

**ALP/E**

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## Curriculum At-a-Glance

Section	Session #	Topic / Exercise
<b>1</b> <b>Introduction</b>	1.1 Course Introduction	<ul style="list-style-type: none"> <li>• Introduction to Course</li> <li>• Business Activity is All Around Us</li> </ul>
	1.2 Business Concepts	<ul style="list-style-type: none"> <li>• Business Ingredients for Success</li> <li>• One Business: Many Responsibilities</li> </ul>
<b>2</b> <b>Business Concepts</b>	2.1 Business Considerations	<ul style="list-style-type: none"> <li>• Business Cycles</li> <li>• Adding Value</li> </ul>
	2.2 Starting and Owning a Business	<ul style="list-style-type: none"> <li>• What it Takes to be a Business Owner</li> <li>• Selecting a Business</li> <li>• Business Idea Generation</li> </ul>
<b>3</b> <b>Planning</b>	3.1 Planning for Business	<ul style="list-style-type: none"> <li>• Introduction to Business Planning</li> <li>• Team Business Idea Selection</li> </ul>
	3.2 Business Preparation	<ul style="list-style-type: none"> <li>• Projecting Income</li> <li>• Start-up Costs and Considerations</li> <li>• Business Startup Costs</li> </ul>
<b>4</b> <b>Marketing</b>	4.1 Overview of Marketing	<ul style="list-style-type: none"> <li>• Marketing Basics</li> </ul>
	4.2 Customers and Competitors	<ul style="list-style-type: none"> <li>• Getting to Know Your Customers</li> <li>• Having a Competitive Advantage</li> </ul>
<b>5</b> <b>Finance</b>	5.1 Business Finance	<ul style="list-style-type: none"> <li>• Overview of Business Costs</li> <li>• Product Costing (Materials and Labor)</li> </ul>
	5.2 Marketing and Finance	<ul style="list-style-type: none"> <li>• Pricing Strategies</li> <li>• Marketing Budget</li> </ul>
<b>6</b> <b>Management</b>	6.1 Business Negotiation	<ul style="list-style-type: none"> <li>• Negotiating and Selling</li> </ul>
	6.2 Management and Leadership	<ul style="list-style-type: none"> <li>• Roles and Responsibilities</li> <li>• Business Ethics</li> </ul>
<b>7</b> <b>Operations</b>	7.1 Operations	<ul style="list-style-type: none"> <li>• Managing Production and Work Flow</li> <li>• Business Operations Planning</li> </ul>
	7.2 Record-keeping	<ul style="list-style-type: none"> <li>• Managing Records and Information</li> </ul>
<b>8</b> <b>Budgeting / Cash Flow</b>	8.1 Budgeting	<ul style="list-style-type: none"> <li>• Budgeting and Cash Flow</li> </ul>
	8.2 Cash Flow	<ul style="list-style-type: none"> <li>• Using a Cash Flow Statement</li> </ul>
<b>9</b> <b>Presentation</b>	9.1 Course Review and Team Projects	<ul style="list-style-type: none"> <li>• Review</li> <li>• Overview of Presentation Skills</li> </ul>
	9.2 Teamwork	<ul style="list-style-type: none"> <li>• Team Project Preparation</li> </ul>
<b>10</b> <b>Conclusion</b>	10.1 Presentation	<ul style="list-style-type: none"> <li>• Team Class Presentations</li> </ul>
	10.2 Conclusion	<ul style="list-style-type: none"> <li>• Team Class Presentations</li> <li>• Course Wrap-up</li> </ul>

## Teacher's Introduction to the Course

### Background

The TARAQI-SABA Youth Business Skills Training Course is part of an overall program of services provided by the ALP/E program in Afghanistan. This introductory course covers a range of basic business skills topics in an interactive and practical format over several weeks. A primary goal of the program is to help students generate business ideas and develop business plans. Other goals and objectives are summarized below.

### Program Goals

The goals for this SABA Training Course program include the following:

- *Increase Knowledge and Raise Awareness about Business Activity.* Help students define a range of business activities, and become more aware of business activities all around them – in their homes, schools, and communities. Those business activities might be formal or informal. They may be centered around manufacturing, processing, retail or services. Help students define a range of business outcomes: including value-added products and services.
- *Acquire Business Skills.* Help students gain familiarity with the basic skills needed to start and run a business. At a minimum, these would include: planning, management, purchasing, costing and pricing, marketing, and record-keeping. Most of these skills relate directly to sections of the course's business plan.
- *Develop Complementary Skills:* Give students the opportunity to develop other skills important in a business context, including: presentation, leadership, communication, negotiation, and team work.
- *Develop and Present a Preliminary Business Plan.* As part of a team exercise, students will identify a business opportunity and develop a business plan around a selected business idea. This plan will be something students can take away from the training and pursue in a variety of ways (including a competition) after the course is completed.

*Please note:* Sponsors of the program expect that student teams will develop business plans which have the potential for actually being implemented in their local communities. At the end of the course, Teachers will have information to share with students about how they might pursue the business plans outside the classroom. Options might include a business plan competition, information about other funding opportunities, and information about further training options.

## Target Audience

This training course is designed for high school students in the East Region of Afghanistan. The age range is 16-20, and includes both male and female students. It is expected that students have little to no knowledge or experience of business prior to taking this course.

## Pre-requisites

All students need to have:

- Literacy skills in Pashto
- Numeric skills (addition, subtraction, multiplication, and division). They also should be able to calculate percentages and averages using a calculator.

## Methodologies

The course utilizes a range of experiential learning methodologies, including small group discussions and role-playing exercises in teams. Teachers introduce key concepts, prepare the way for exercises, and guide students through large-group discussions and reviews. As much as possible, students “learn by doing” in interactive sessions that engage them physically, mentally, and emotionally. This interactive approach is shown to enhance the learning process while improving the likelihood of comprehension and retention.

## Training Environment

A typical classroom for this course will include space for several tables or groups of desks for small groups of students to have discussions and conduct their activities. Students should have room to move about during team activities.

*Class size:* The course material is designed for a group of 9-15 students per class, but it could accommodate up to 20 students

*Room Setup:* At the beginning of each training day, the room should be configured with groups of desks or tables with no more than 4-5 people per group. Desks can be turned to face each other to facilitate small group work. The teacher should have at least one table for the materials they are using during the session. Some individual sessions may have their own special room setup requirements, as indicated in the session notes.

*Equipment:* This course is designed to be delivered in a low-tech environment. The trainer will need a flip chart and/or whiteboard and markers for conducting lectures and summarizing large group discussion points. Some role-play exercises, students will use flip chart paper, markers, scissors, and paper. A complete list is provided in the Course Materials section.



## Content Configuration

The content is configured into 20 separate sessions, each lasting 90 minutes. The total duration is approximately 30 hours. The course is designed to be delivered as an after-school program, twice a week for 10 weeks.

## Content Sequencing

The sequencing of the material is an important part of the design of the course. Many activities build on previous ones. To maximize the effectiveness of the materials, trainers should conduct the training according to the sequence indicated.

## Course Components

The course includes the following types of activities:

▶ <b>Information and scenarios for small group discussion.</b> The information serves to introduce a new topic, as well as stimulate thinking and discussion.
▶ <b>Exercises for small groups.</b> Practical exercises allow students to utilize their problem-solving skills and to verify their comprehension of business concepts.
▶ <b>Role-playing team exercises.</b> At times, students will engage in role-playing activities that help them apply certain business techniques. For example, students may take on the roles of Buyers and Sellers to practice negotiation or marketing skills.
▶ <b>Team project.</b> Students have opportunities to apply the general knowledge they gain to their own business reality. In addition to individual exercises, students also build their own Business Plans for use after the training.
▶ <b>Team presentation.</b> During the last section (10) of the class, student teams will present their business ideas to their fellow students in the class. They will have the opportunity to receive feedback from their peers and the Teacher on their business idea, as well as on their presentation skills.
▶ <b>Business plan template.</b> This document is a tool for each student team to develop their business idea. It represents the sum total of the learning in the class, and may be developed further after the course.
▶ <b>Individual action plans.</b> During the last class, students will reflect on what they have learned, and look forward to next steps in their learning as well as in their business pursuits.
<b>Optional</b>
▶ <b>Business simulation.</b> Student Groups operate simulated businesses in a fast-paced environment that calls upon a full range of skills and abilities.
▶ <b>Guest presentations.</b> At least one session has an option for inviting an outside speaker who has special expertise in that area. Guest speakers, if properly identified and prepared, can enhance the overall educational experience by providing the latest information on specific topics.

## Course Materials

To deliver this course, trainers need various materials, which are included in the SABA Course Training Kit, and are described below. Some specific sessions will require additional materials, which are indicated in the session-by-session notes in the Trainer Manual.

### Student Workbook

Every student should receive a Student Workbook. This contains most of the stories, exercises and background information used in the course. Students will write their notes, calculations and observations in this book, and will need to bring it to class each day. Optionally, teachers may require the students to leave the books in the classroom so they don't lose them.

In the back of the Participant Book, as an appendix, is a Business Plan Template. Students will use this template to prepare their team projects which they will present to the class at the end of the course.

### Other Classroom Materials List

*(These items are not included in the Training Kit)*

- ☐ Flip chart paper
- ☐ Blackboard or white board
- ☐ Colored Markers or Pens
- ☐ Pencils
- ☐ Erasers
- ☐ Plain white paper (several sheets per student)
- ☐ Scissors
- ☐ Clear Tape

### Posters

Posters are used in small group activities. Each kit includes five copies of each poster, for a maximum of five small groups. During specific sessions, you will distribute copies of these laminated Posters (one per group) and then collect them back again at the end of the session. These Posters should remain in the Training Kit for use in every training session.

### Teacher's Manual

The SABA Course Training Kit also includes this Teacher's Manual. The manual includes: copies of all student materials; answers to discussion questions and exercises; and session-by-session trainer notes. The notes indicate the suggested time allowance for each exercise and component of a session, and provide reference numbers to help trainers deliver each session in sequence.

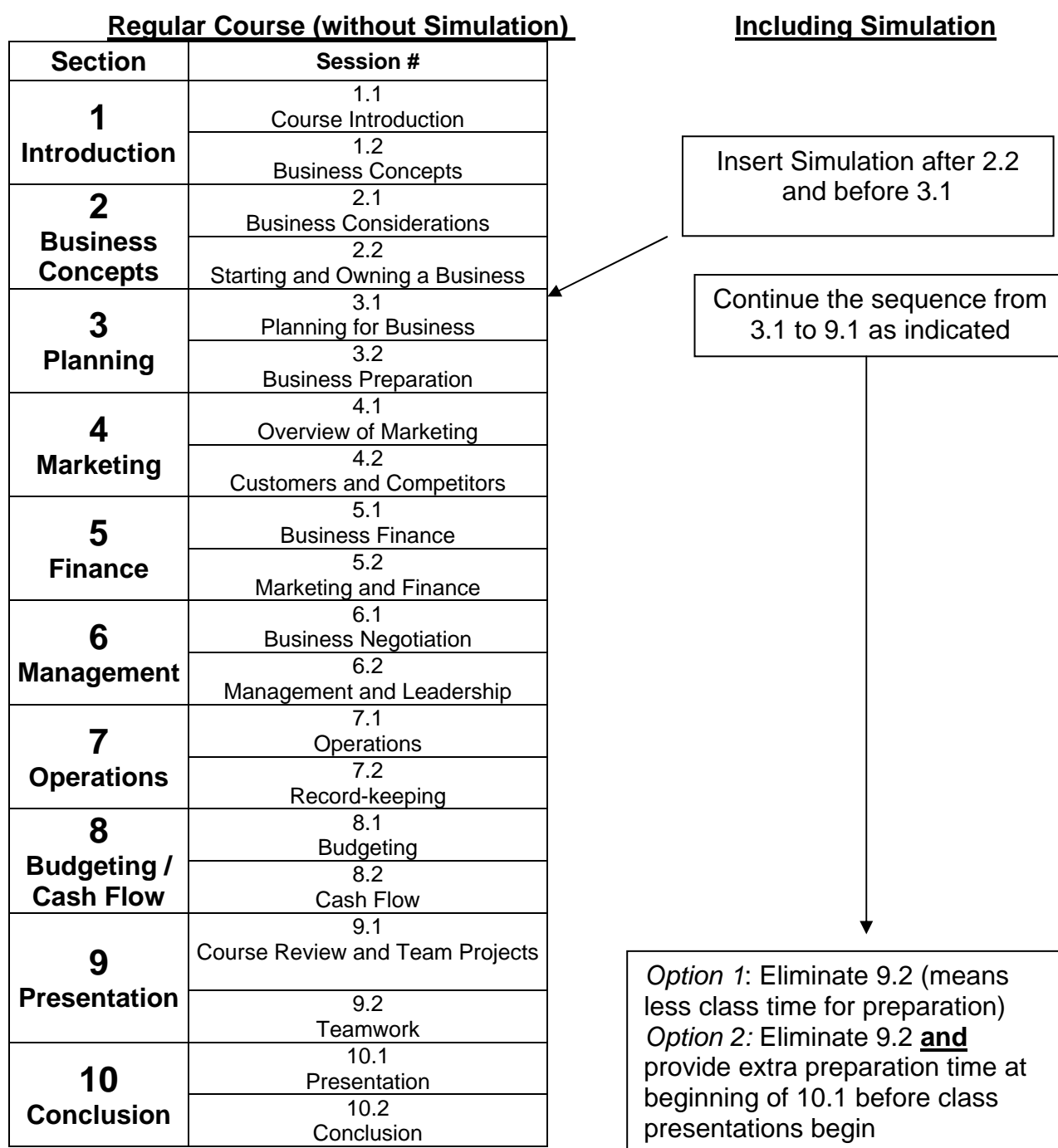
### Business Simulation Materials (Optional)

Materials to conduct the Module 1 Business Simulation are included in the pilot version of the SABA Course Training Kit. These materials can enhance the training experience, but are not required. Guidance on how and whether to use these materials is provided later in this Manual.

It is important to safeguard all these materials, and ensure that they are returned to the Training Kit after each use.

## Adjusting Course to Include Business Simulation

The course contained in this Teacher Manual is designed to be self-contained – not using any other outside materials. Teachers may want the option of adding in Module 1 of the Making Cents Business Simulation. If so, that simulation would take an entire 90-minute session. Thus, the sequencing of the rest of the course would need to be adjusted. The following chart shows the original course, with a suggested scenario for how to include the Simulation.



## Getting Started: A Checklist for Teachers

### Before the Course Starts

- **Prepare or obtain copies of Student Workbooks for each student.** You may want to have additional copies on hand in case students forget to bring their books some days.
- **Set up the training room.** See Training Environment section above for suggested Room Setup.
- **Obtain other classroom materials.** Specifically, retrieve and prepare any additional materials and information not included in the Training Kit.

### Before Each Class

- **Refer to each session's notes for specific materials and room-setup needs.**
- **Read the background information for that section in the Teacher Manual Appendix.**
- **Read and prepare all training notes and exercises.** Some of the exercises require math skills and knowledge of business finance concepts. Teachers are encouraged to work out the exercises for themselves in advance to ensure they are properly prepared to help their students.
- **Identify and schedule guest presenters (optional)**

### During each Class

- **Review work.** Since days may pass between each class, it is important to help students refresh their memory about the previous class.
- **Stay on schedule.** Each activity is designed to last a certain amount of time, so that the entire 90-minute session day will flow smoothly.
- **Encourage interactivity.** Minimize "lecture" time to allow students to focus on their work and on each other.
- **Encourage full participation.** Ensure that small groups change membership, so that everyone in the class has an opportunity to work with all the other students at some point.
- **Keep track of Workbooks.** At the end of each session, remind students to bring their Student Workbook to the following class.
- **Give reminders.** Encourage students to save their work, as they may be returning to it on subsequent training days. For example, marketing materials made in one session may be part of the final team presentation during the last class.

*See the following information for general instructions on conducting large and small group activities:*

## ***General Instructions for Leading Small Group Learning Activities***

### ***A. Introduce the Activity:***

- Divide the students into groups of 3-5 persons each.
- Ask students to take turns reading aloud to their group members. Ask for a volunteer in each group to begin reading the section.
- If appropriate, distribute the Posters – one per group.
- Let them begin and “discover” the story on their own. Avoid the tendency to tell them what they are going to read.
- Each group should go through each discussion question and activity together.
- For some Exercises, you may choose to let students work in pairs.

### ***B. Manage the Small Group Discussion***

- Walk around the room and without interrupting discreetly listen to discussions to ensure that students are staying on track and understanding the activity.
- Offer assistance to an individual group in cases when students are confused or need a quick example to get started or to move forward.

## ***General Instructions for Leading Large Group Learning Activities***

Typically Large Group Discussions occur at the beginning of each class and after a small group activity.

### ***To Introduce a New Topic***

- Ask students to turn to the appropriate exercise in their Workbooks
- Select various students to take turns reading the first page aloud to the class.
- Ask one or two questions to ensure the class is understanding the new information

### ***To Follow a Small Group Activity with a Class Summary Discussion***

- Start by asking one of the discussion questions to the entire group
- Alternatively, work step by step through an exercise (using the board or flipchart) to help students verify their small group work.  
(see possible answers in the session-specific teacher notes)
- As much as possible, ask students to tell you their answers, rather than giving them answers.
- Formulate questions to ensure students are grasping the key learning points.  
(Refer to learning objectives for each session)
- For questions seeking an opinion, ask small groups to share their insights and experiences with the full class.
- Encourage full participation; don't let one or two students dominate the discussion.

## Note about Small Groups versus Teams

Throughout the course, there are three ways that the students will interact

*Large group discussion.* This will consists of the entire class, with the Teacher leading the discussion.

*Small group discussion or work.* This consists of 3-5 small groups of no more than 5 persons each. Each group is working separately, and the focus of learning is inside the small group. Teachers are walking around and monitoring. They intervene only when they perceive a need or when students ask for their help.

*Teams.* When the teams form, the same set of students will come back together periodically to work on team assignments. As with small groups, Teachers are checking in occasionally to see if the team needs help with a particular point.

In Section 3 of the Course, students will form teams that will work together to develop a business plan centered around a business idea they have selected. From that point on, many of the exercises and activities require the students to work in those same teams. On the other hand, sometimes students will be able to mix up into other small groups for certain exercises and activities.

If the Session Notes and the Workbook specify “Team,” then the Business Plan Teams will need to work together. Otherwise, if the notes refer to “group” or “small group” then the Teacher is encouraged to change the configuration of the groups to allow for fresh exchanges among class members. This flexibility will help ensure that energy levels remain high by giving students an opportunity to move around and work with others in the class.

The session notes indicate which type of grouping is suited for each exercise. Also, in the student materials, those activities that are specifically for those teams have the following heading:

TEAM ASSIGNMENT 5.2

## Background on Session Notes for Teachers

The following pages provide the necessary information for trainers to conduct each part of the training. The information is divided into Sections 1-10, with a summary agenda starting each section.

Each section's summary includes the estimated duration of each activity, as well as a reference number. This reference number is for teachers, to help them deliver the material in sequence.

**Sample Section Summary: 1.1**

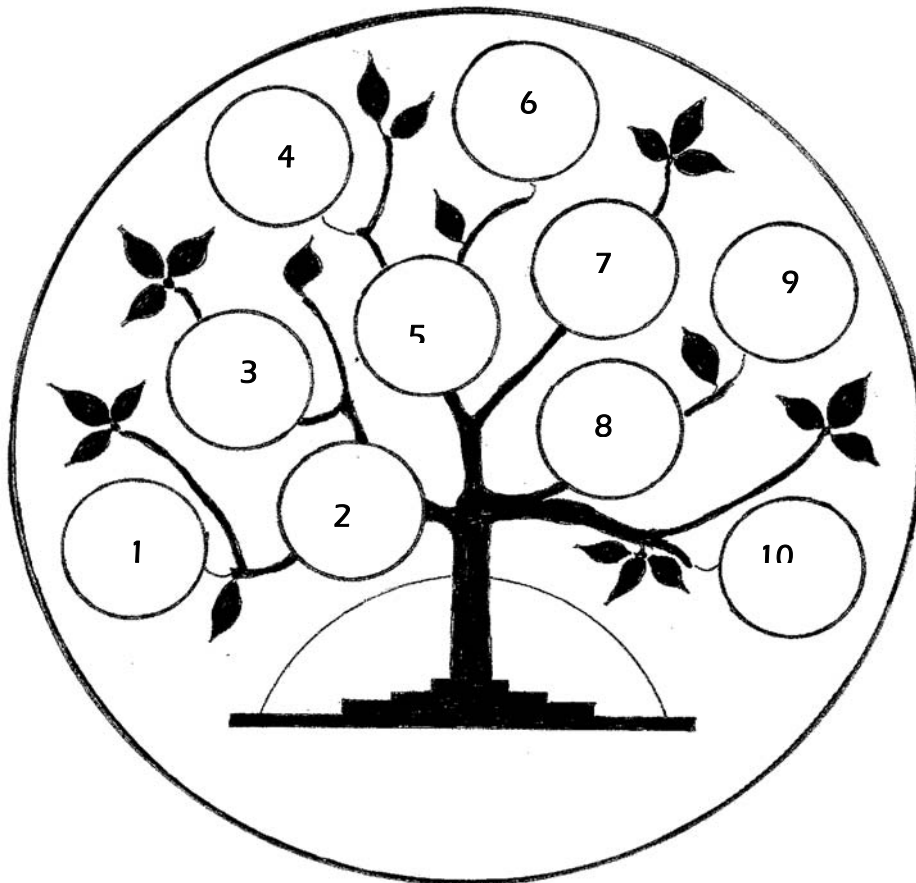
	<b>Teacher's Session Notes</b>
<i>Session Number</i>	<b>1.1 Introduction</b>
<i>Session Content</i>	Introduction to Course Overview of Goals and Objectives Overview of Materials <i>Exercise:</i> Business Activity is All Around Us
<i>Goal(s)</i>	1. Knowledge, Awareness
<i>Objectives</i>	<i>At the end of this session, students will be able to:</i> <ul style="list-style-type: none"> <li>Identify course goals, objectives, and agenda highlights</li> <li>Recognize formal and informal business activities, including: production (agriculture and manufacturing); services; and retail</li> <li>Identify range of formal and informal business activities in neighborhood and community</li> </ul>
<i>Methodology</i>	Teacher Presentation, Student Workbook Exercise
<i>Materials Needed</i>	Workbook, Poster A, pencils, paper
<i>Background for Teacher</i>	<i>See Appendix</i>

Each section summary is followed by the related teacher notes. These notes give detailed instructions, along with suggested timing needed to conduct the session. The trainer notes also include copies of the related classroom materials, along with answers to exercises and discussion questions.

### Course Sections and Course Navigation Symbol

The materials are divided into ten sections. The symbol of the tree with 10 circles is designed to help students measure their progress through the course. At the completion of each section, they will be able to color in a circle on the tree.

Meanwhile, a smaller version of the tree will appear at the beginning of each exercise to let them know what section they are in.



Section 1



Section 2

Teachers should also have a copy of the Student Workbook for their own reference, especially for the Business Plan Template and other student appendices not included in this Manual.



## Symbols in the Teacher's Session Notes

In addition to the symbols in the Student Workbook, there are other navigation symbols occurring throughout the Teacher's Session Notes. They include the following:

### Teacher Quotes.

◇ This symbol is used to note when the Teacher should read the information that follow it out loud to the class.

*Example:*

◇ "Now we will turn to the next exercise."

Gray boxes. These gray boxes on the student exercise pages provide possible answers to the questions and activities.

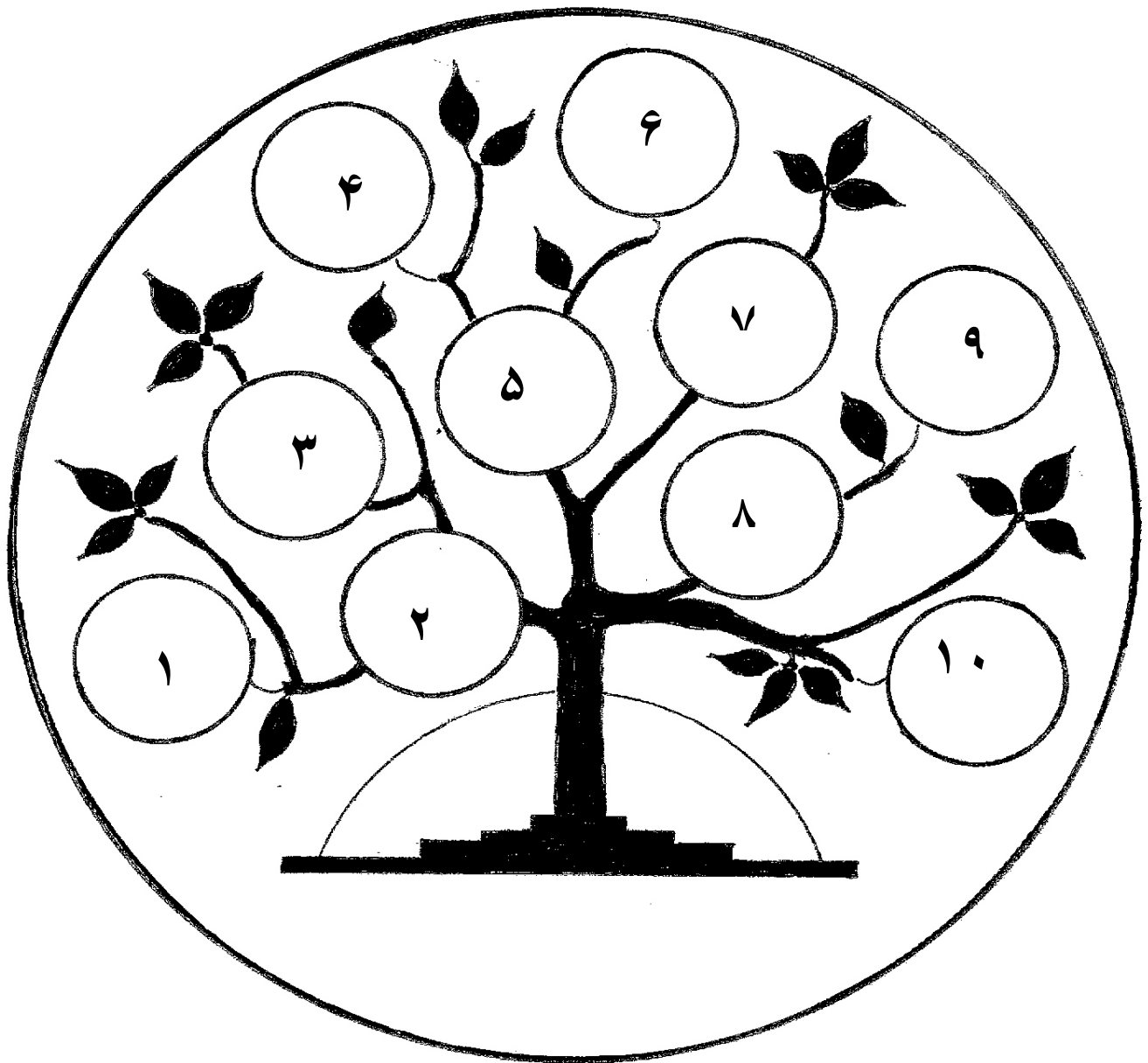
*Example:*

<p><b>Possible Answers</b>  Furniture (tables, chairs)  Doors, Window shutters  Musical instruments  Handles for shovel, hammer  Pencils</p>
--

**Please note:** The answers are only in the Teacher Manual; the students will not see any answers in their Student Workbooks. Teachers should feel free to share the answers with students, when needed.

*Teacher's Note:* This image appears in the Student Workbook and is provided here for your information. You can direct students to return to this page upon completion of each section to record their progress. They can use pencils, pens, or colored markers, as available

This tree will help you measure your progress during the course. At the end of each section, you can return here to color in a circle (wait for the teacher's instructions).





# Section 1: Introduction

## Teacher's Notes and Instructions

	Teacher's Session Notes
Session Number	1.1 Introduction to Course
Session Content	<p>Introduction to Course</p> <p>Overview of Goals and Objectives</p> <p>Overview of Materials</p> <p><i>Exercise: Business Activity is All Around Us</i></p>
Goal(s)	1. Knowledge, Awareness
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>Identify course goals, objectives, and agenda highlights</li> <li>Recognize formal and informal business activities, including: production (agriculture and manufacturing); services; and retail</li> <li>Identify range of formal and informal business activities in neighborhood and community</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, Poster A, pencils, paper
Background for Teacher	<i>See Appendix located in the back of the Teacher Manual</i>

Sequence	Time
<p><i>Organize the Classroom (see Training Environment Section for initial classroom setup).</i></p> <p><u>Step 1: Welcome to the Course</u></p> <ul style="list-style-type: none"> <li>Thank the students for participating</li> <li>Give students a one-sentence summary of the course: <ul style="list-style-type: none"> <li>◇ <i>“This course is designed to help high school students in Afghanistan (like you) understand the fundamentals of business and owning a business. This knowledge can be beneficial even if you decide not to have a business”</i></li> </ul> </li> <li>Remind them of the class schedule (for example, twice a week after school for 10 weeks).</li> <li>Explain how this training is related to their regular school work (or how it isn't related)</li> </ul>	5 min

Sequence	Time
<u>Step 2: Introduce the Course Goals and Objectives</u>	5 min
<ul style="list-style-type: none"> <li>Summarize the Goals of the course (write on flip chart or board) <i>See Program Goals and Course Objectives in Introduction to the Course section of this Manual</i></li> <li>Highlight the expected outcome of the course.               <ul style="list-style-type: none"> <li>◇ <i>“In a few weeks, you will be forming teams to develop your own business idea into a business plan.”</i></li> <li>◇ <i>“Perhaps this course will help you develop the knowledge and confidence to become part of a business venture.”</i></li> </ul> </li> </ul>	10 min
<u>Step 3: Distribute Workbooks and Review Them</u>	
<ul style="list-style-type: none"> <li>Distribute one copy of the Student Workbook to each student.</li> <li>Allow students time to familiarize themselves with the Workbook.               <ul style="list-style-type: none"> <li>○ Show them the Welcome and Table of Contents</li> <li>○ Help them understand how to find a particular page</li> </ul> </li> <li>Ask students to write their names on the front cover.</li> <li>Remind students not to lose these Workbooks.</li> </ul>	
<u>Step 4: Introduce Exercise 1.1</u>	
<ul style="list-style-type: none"> <li>Ask students to turn in their Workbooks to Exercise 1.1.               <ul style="list-style-type: none"> <li>○ Help them see the tree symbol in the upper corner of the page (and the corresponding exercise number).</li> </ul> </li> <li>Ask one student to read the title of the exercise: Business Activity is All Around Us.</li> <li>Ask students in turn to read each paragraph aloud to the others in class.</li> <li>At the end of the first page, ask:               <ul style="list-style-type: none"> <li>◇ <i>Can anyone think of some businesses in our community?</i></li> </ul> </li> <li>If they haven't already, ask students to form groups of no more than 5 persons per group.</li> <li>Distribute Poster A (one copy to each group).</li> <li>Help students get started with the first question (choose one circled picture on the Poster and ask everyone to help determine businesses and types related to the picture).</li> <li>Let students work on their own through remaining activities.</li> <li>Walk around to see if any group needs assistance.</li> </ul>	55 min
<u>Step 5: Post-exercise Discussion</u>	
<ul style="list-style-type: none"> <li>Facilitate a large group discussion about students' answers to #3. (Teacher can share own insights and experiences)</li> <li>NOTE: Teachers may encounter negative attitudes toward business.</li> </ul>	10 min
<u>Step 6: Wrap-up</u>	5 min
<ul style="list-style-type: none"> <li>Remind students of time and day for next class.</li> </ul>	



1.1

## Business Activity is All Around Us !

Many people think a business activity involves owning a store. Yes, many business owners have a place where they sell products to customers. But business activities are all around us.

Some people are involved in production. They make products for shop owners or others to sell (either locally or for export). Such businesses are called **production** (or manufacturing) businesses.

Shop owners can either make their own product or buy products from others to sell to customers. These are **retail** businesses.

Some people provide a service to their customers. They have **service** businesses.

Some businesses buy from producers and sell to other businesses. They are called **wholesalers**.

People who work the land to grow things that can be sold in the marketplace operate farm production businesses or **agri-businesses**.

Some people have **informal** business activities. They may work from home to make products that can be sold or traded to get things they need for their families.

# Business Activity is All Around Us !

## Questions and Activities

- 1) Look at the images on the picture provided and make a list of the businesses indicated there. *(Hint: there may be several possible answers for each image).* After you have made the list, indicate the type of business it is (service, retail, production, wholesaler, agriculture, informal, or other). *(Hint: some businesses may be more than one type).*

Business Activity

Type (s)

### Possible Answers

*(Businesses featured in the illustration's circles)*

Bakery, Baking	Retail, Production, Informal
Sewing	Informal, Service, Production
Carpet	Production
Pots and Pans	Retail
Fruit and Vegetable Stand	Retail, Agri-business, Wholesaler
Truck Transportation	Service, Agri-business, Wholesaler
Computer	Service, Informal
Factory/ Assembly line	Production
Mechanic or Repair Shop	Service, Informal
(also could be Hardware Store)	Retail

*(Other businesses hinted at in the illustration)*

Sheep (Animals)	Agri-business
Vegetable farm	Agri-business
Shops	Retail
Orchard	Agri-business
Trees, Lumber	Agri-business, Production
Marketplace	Retail, Service

(Students may come up with other possible answers – ensure that they can explain their answers and their choices of business type.)

- 2) When you look at the whole picture, can you imagine other types of businesses? Please add them to the list above.

- 3) Who do you know who is engaged in business activity (family members, friends, neighbors)? What kind of business do they have? In your group, make a list of businesses you know and what type they are:

**Business**

**Type**

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### **Possible Answers**

Answers will vary. Make sure the students are specific and consistent in their answers and can explain why they designated a business as a particular type (or more than one type). If the teacher knows of local businesses, the teacher can suggest ideas to help the students get started. Optionally, students can go home and ask their parents for ideas, and then complete this list at the beginning of the next class.

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- 4) Choose a real business in your community and draw a picture below. Be creative!

Draw a picture of a business here

### **Possible Answers**

Each student should choose a business idea from the list above (a real business in their community). Students can choose to draw a building or a scene inside – let them use their imaginations! They can use a pencil or colored markers, as available. If they are having trouble selecting a real business, encourage them to draw an imaginary one.

Ask them to put the name of the business somewhere in the drawing (either at the top or on a sign in the picture). If the business doesn't have a name, they can create an imaginary name that fits the business.



	Teacher's Session Notes
Session Number	1.2 Aspects of Business
Session Content	Exercise: Business: Ingredients for Success Exercise: One Business, Many Responsibilities
Goal(s)	1. Knowledge, Awareness
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>Identify factors of production (physical, human, and capital resources) for various businesses</li> <li>Describe the key activities performed inside a business</li> <li>Explain the organizational functions of a business</li> <li>Identify examples of business inputs in neighborhood businesses.</li> </ul>
Methodology	Student Workbook Exercises, Large Group Discussion
Materials Needed	Workbook, Poster A, pencils, paper
Background for Teacher	None

Sequence	Time
<p><u>Step 1: Review Last Class</u></p> <ul style="list-style-type: none"> <li>Ask students to review Exercise 1.1, helping them to remember business types</li> <li>Ask if anyone has any questions about that exercise</li> </ul>	5 min
<p><u>Step 2: Introduce Exercise 1.2.A</u></p> <ul style="list-style-type: none"> <li>Divide students into small groups</li> <li>Ask them to turn to Exercise 1.2.A in their Workbooks</li> <li>Students can take turns reading the information aloud to the others in their group.</li> <li>Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>Each student can write answers directly into their own Workbooks</li> <li>Walk around and ensure that students are getting the answers correctly for Question 1.</li> </ul>	20 min

<p><u>Step 3: Post-exercise Discussion (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Ask students to share their answers to Question 1 (verbal response).</li> <li>• For Question 2, ask one student to write on the board responses to the first business listed. Ask other students to comment on his or her choices. (Option: Use answers in Manual to talk through an example with the whole class)</li> <li>• Ensure that students understand the difference between the three types of inputs.</li> </ul>	15 min
<p><u>Step 4: Introduce Exercise 1.2.B (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Announce that now the students will have another exercise. <ul style="list-style-type: none"> <li>◇ <i>“Now that we have looked at the resources businesses use, let us now learn about all the different responsibilities a business owner has to keep in mind.”</i></li> </ul> </li> <li>• Ask them to turn to Exercise 1.2.B in their Workbooks.</li> <li>• Direct students to take turns reading the information aloud to the others in the class.</li> </ul>	15 min
<p><u>Step 5: Lead Students through Question 1 (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Question 1 in their Workbooks.</li> <li>• Announce you will now tell them some information they can write in their Workbooks. These are short definitions of the terms in the diagram.</li> <li>• Read the following aloud: <ul style="list-style-type: none"> <li>◇ <i>Planning: Preparing for what might happen in the future</i></li> <li>◇ <i>Marketing: Identifying ways to attract buyers</i></li> <li>◇ <i>Finance: Managing the inflow and outflow of money for the business</i></li> <li>◇ <i>Production: Organizing the work to minimize wasted time and effort</i></li> <li>◇ <i>Research: Collecting and analyzing information about supplies, customers, and competitors</i></li> <li>◇ <i>Records: Keeping track of bills, receipts, and files</i></li> <li>◇ <i>Human Resources: Hiring and managing people to keep the work flowing smoothly</i></li> </ul> </li> </ul>	15 min

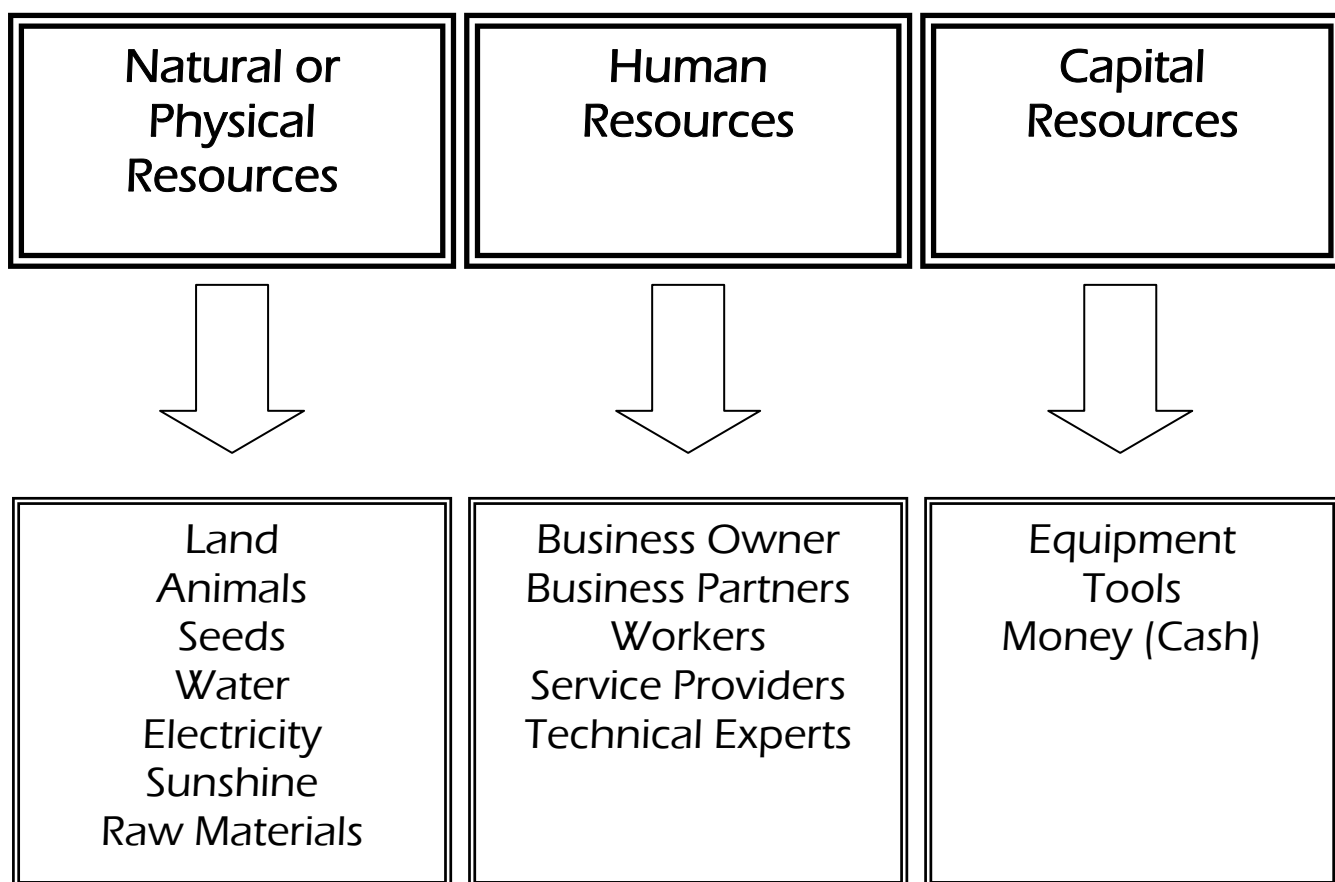
<p><u>Step 6: Allow Students to Complete Question 2 (Small Groups)</u></p> <ul style="list-style-type: none"> <li>• Students then can answer Question 2 in their own Workbooks, while conferring in small groups or in pairs.</li> <li>• Each student can write answers directly into their own Workbooks.</li> </ul>	10 min
<p><u>Step 7: Discuss Answers to Question 2 (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Ask a few volunteers to share their answers to Question 2 with the class.</li> <li>• Ask them to explain why they chose their answers.</li> <li>• If time allows, ask the following questions: <ul style="list-style-type: none"> <li>◇ “While it is possible for one person to be able to take on all these responsibilities, and there are many one-person businesses, is it desirable? Why or why not?”</li> <li>◇ Would you prefer working on your own, or with others? Explain your answer.”</li> </ul> </li> </ul>	5 min
<p><u>Step 8: End Session</u></p> <ul style="list-style-type: none"> <li>• Ask if anyone has any questions about these two exercises.</li> <li>• Announce that the class has now completed Section 1 of the course. Students can color in the first circle on their tree (using pencils or colored markers, as available).</li> <li>• Remind students of time and day for next class.</li> </ul>	5 min



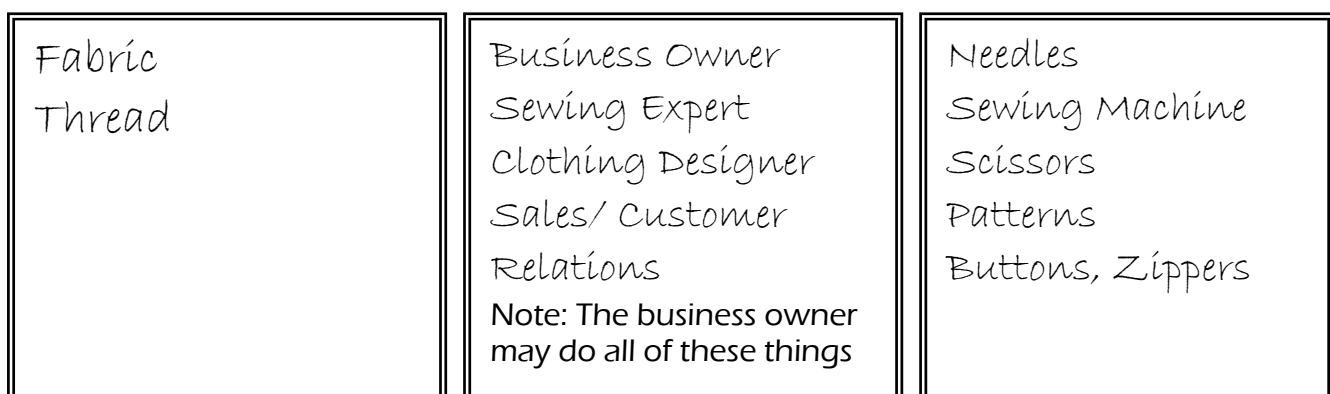
1.2.A

## Business: Ingredients for Success

To make a meal, you need certain ingredients. A business also needs certain ingredients to be successful. Most businesses need three components:



For example, a sewing business might include:



# Business: Ingredients for Success

## Questions and Activities

## Possible Answers Shown Below

1) Label the following resources as: Natural, Human, or Capital



A. Natural



B. Capital



C. Human  
Natural



D. Natural



E. Capital



F. Natural (water)  
Capital (bucket)



G. Natural  
Human  
Capital



H. Capital  
Human



I. Capital

2) Refer to the poster drawing and your lists from pages [exercise 1.1]. Choose three businesses and list the types of things needed to start each one. *(Please be specific)*

Business 1: \_\_\_\_\_

Physical	Human	Capital
<div style="border: 1px solid black; background-color: #f0f0f0; padding: 10px;"> <p><b>Possible Answers</b></p> <p><b><u>Carpet-Weaving Business (selling to Wholesalers)</u></b>  <b>Physical Resources:</b> Spun Wool, Vegetable Dyes  <b>Human Resources:</b> Owner, Weaver(s), Sales Person  <b>Capital Resources:</b> Loom(s), Scissors, Rug Patterns, Wool Combing Tool, Stool or Cushion for Weaver, Production Space, Warehouse</p> </div>		

Business 2: \_\_\_\_\_

Physical	Human	Capital
<div style="border: 1px solid black; background-color: #f0f0f0; padding: 10px;"> <p><b>Possible Answers</b></p> <p><b><u>Livestock Business</u></b>  <b>Physical Resources:</b> Animals, Food, Hay, Land, Water, Sunshine  <b>Human Resources:</b> Owner, Breeding Expert, Animal Caretaker  <b>Capital Resources:</b> Fences, Storage Bins, Building(s), Transportation, Medicines, Cash</p> </div>		

Business 3: \_\_\_\_\_

Physical	Human	Capital
<div style="border: 1px solid black; background-color: #f0f0f0; padding: 10px;"> <p><b>Possible Answers</b></p> <p><b><u>Computer Business</u></b>  <b>Physical Resources:</b> Paper  <b>Human Resources:</b> Owner, Computer experts (software, hardware), maintenance person  <b>Capital Resources:</b> Computer, monitor, mouse, printer, software, office furniture, security equipment, business sign,</p> </div>		



1.2.B

## One Business: Many Responsibilities

Whether it's a large or small business, a business owner has several responsibilities. In a large company, there may be many people to help the owner with operating the business. A large company may be organized into departments such as the following:

### Typical Large Company Departments



Amazingly, even a one-person business has these same responsibilities to some extent. So, a business owner has to keep track of many things at once.

In a family-owned business, family members may divide up these responsibilities. For example, the father may go to the market and the mother may keep track of the finances and other records. The father and mother may do the planning together. And the whole family may be involved in production.

# One Business: Many Responsibilities

## Questions and Activities

1) Listen to your teacher, and write the definition of each responsibility listed below.

Planning: Preparing for what might happen in the future

Marketing: Identifying ways to attract buyers

Finance: Managing money flows in and out of the business

Production: Organizing the work to minimize wasted time and effort

Research: Collecting and analyzing information

Records: Keeping track of paperwork (bills, receipts, files)

Human Resources: Hiring and managing people

2) What aspects of a business would you enjoy? For example,

- Do you like going to the market and talking to customers?
- Do you prefer working with numbers and keeping track of finances?
- Do you like organizing the work, or making the product?

In your group, discuss what areas of a business you might feel most comfortable doing. Make a list of three of those areas here:

Students will insert their own preferences here.

3) Perhaps you already are doing similar things in your home or school life. Indicate below any similar responsibilities you already are doing:

Students will insert their own answers here referring to the list and definitions at the top of the page.






## Section 2: Business Concepts

### Teacher's Notes and Instructions

	Teacher's Session Notes
Session Number	2.1 Key Business Considerations
Session Content	Exercise: Business Cycles Exercise: Adding Value
Goal(s)	1. Knowledge, Awareness
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>Identify cyclical business activities, including those tasks that occur daily, weekly, monthly, quarterly, and annually</li> <li>Recognize cyclical activities occurring within businesses in the local neighborhood or community</li> <li>Identify ways in which various products can be created from raw materials</li> <li>Determine the role of customer wants and needs in product features</li> <li>Identify, classify, and select features of products and services needed and wanted by consumers in terms of their "added value"</li> <li>Identify the added value of products available in the household, neighborhood and/or community</li> </ul>
Methodology	Student Workbook Exercises
Materials Needed	Workbook, pencils, paper
Background for Teacher	None

Sequence	Time 
<u>Step 1: Review Last Class</u> <ul style="list-style-type: none"> <li>Ask students to scan the exercises in 1.2.</li> <li>Remind them of the three types of business resources (Physical, Human, and Capital).</li> <li>Ask someone to give an example of each type.</li> <li>Remind them of the types of responsibilities in a business (Planning, Marketing, Finance, Production, Research, Records, and Human Resources).</li> </ul>	5 min

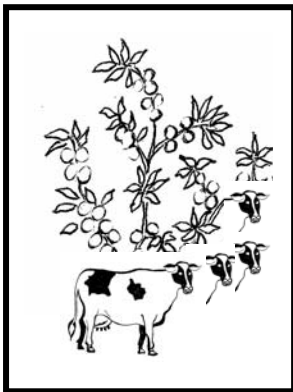
Sequence	Time
<p><u>Step 2: Introduce Exercise 2.1.A: Business Cycles (Small Group)</u></p> <ul style="list-style-type: none"> <li>• Divide students into small groups.</li> <li>• Ask them to turn to Exercise 2.1.A in their Workbooks.</li> <li>• Students can take turns reading the information aloud to the others in their group.</li> <li>• Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>• Each student should write answers directly into their own Workbooks.</li> <li>• Walk around and ensure that students are on track.</li> </ul>	20 min
<p><u>Step 3: Review Answers to Exercise 2.1.A (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Referring to answers in the Teacher Manual, lead students through discussion of the answers to Question 1 (Livestock and Retail Businesses).</li> <li>• Summarize information on the board or flip chart, (optional).</li> <li>• Ask volunteers to share their answers to Question 2 about their own schedules. Summarize on the board, if necessary.</li> </ul>	15 min
<p><u>Step 4: Introduce Exercise 2.1.B: Adding Value(Small Group)</u></p> <ul style="list-style-type: none"> <li>• Announce that now the students will have another exercise. <ul style="list-style-type: none"> <li>◇ <i>“Often, new products and services help make other people’s lives easier and more pleasurable. When starting a business, we need to understand how to put resources together in valuable ways.”</i></li> </ul> </li> <li>• Ask students to turn to Exercise 2.1.B in their Workbooks.</li> <li>• Students can take turns reading the information aloud to the others in class.</li> <li>• Again, divide students into small groups.</li> <li>• Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>• Walk around and ensure that students are on track.</li> </ul>	25 min
<p><u>Step 5: Post-exercise Discussion</u></p> <ul style="list-style-type: none"> <li>• Referring to answers in the Teacher Manual, lead students through discussion of the answers to Questions 1-3.</li> <li>• Summarize information on the board or flip chart, if necessary.</li> <li>• Ask volunteers to share their answers to Questions 4-5. Summarize on the board, if necessary.</li> </ul>	20 min
<p><u>Step 6: End Session</u></p> <ul style="list-style-type: none"> <li>• Ask if anyone has any questions about these two exercises.</li> <li>• Remind students of time and day for next class.</li> </ul>	5 min



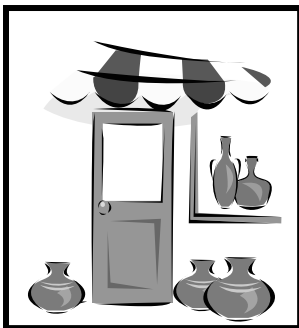
## 2.1.A

# Business Cycles

Owning a business can seem risky to some people, because they feel that they cannot predict what will happen in the future. But, in fact, most businesses have many aspects that are predictable and reliable.



For example, a family who owns a livestock business knows that the animals must receive food and water every day. New animals are born in early spring, and the animals are usually bought and sold in the spring months. They may pay rent every month, and buy supplies once a week. During certain seasons, they hire temporary workers who are paid by the week.



A family who owns a retail shop might know that their busiest days are Fridays. And they are also busy during holiday seasons. They may buy new inventory every three months. As a business, they know they must pay rent once a month, and taxes once a year. Each day, they write down any sales in the store.

Every month, they may add up their income and expenses, to see how the business is doing. Once a week they give the store a good cleaning.

Knowing when certain things will happen in a business makes it easier to plan for the future.

# Business Cycles

## Questions and Activities

1) Complete the following tables using the information from the previous page. Indicate which tasks occur on a daily, weekly, or monthly, yearly, or seasonal basis.

### A. Livestock Business

Daily	Weekly	Monthly	Yearly	Seasonal	Other
		<b>Possible Answers</b> <i>Daily: Feed and water animals</i> <i>Weekly: Buy Supplies</i> <i>Monthly: Pay Rent</i> <i>Yearly: Buy and sell animals, manage births</i> <i>Seasonal: Hire workers</i>			

### B. Retail Shop

Daily	Weekly	Monthly	Yearly	Seasonal	Other
		<b>Possible Answers</b> <i>Daily: Note daily sales</i> <i>Weekly: Busy Fridays, Clean store</i> <i>Monthly: Pay Rent, Record income and expenses</i> <i>Yearly: Pay taxes</i> <i>Seasonal: Busy Holidays</i> <i>Other: Buy inventory (4 times per year)</i>			

2) Using the following chart, make a list of some things you do on a regular schedule.

### Your Life

Daily	Weekly	Monthly	Yearly	Seasonal	Other
		<b>Possible Answers</b> <i>Daily: Eat lunch; study</i> <i>Weekly: Clean house; go to market</i> <i>Monthly: Visit relatives</i> <i>Yearly: Celebrate Ramadan</i> <i>Seasonal: Play football</i> <i>Other: Go to school 5 days per week __ months per year</i>			

3) Given this information, can you predict what you will be doing on this day next week? Next month? Next year? Discuss your answers in your group.

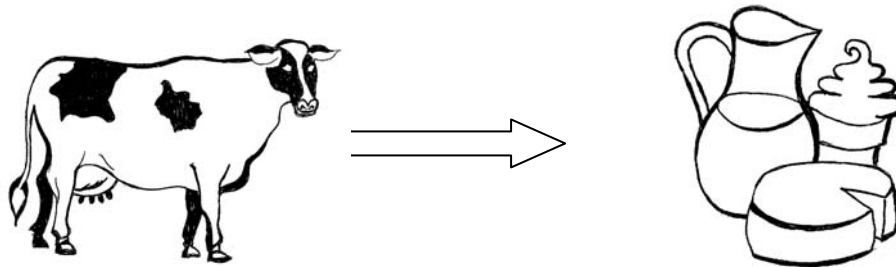


2.1.B

## Adding Value

Previously, we learned that businesses use Natural, Human, and Capital Resources in different ways. Businesses use these resources to create products and services that people want to buy.

### Adding Value to Raw Materials



Some businesses produce and sell raw materials (for example, cows and milk). They might also add value to the milk to create other products (for example, cheese, yogurt, and ice cream). Can you think of other products that can be made from milk?

**Possible Answers***Butter, sour cream*

### Adding Features to Existing Basic Products

Features

- ☐ Nice buttons
- ☐ Extra-warm lining
- ☐ More pockets
- ☐ Higher-quality fabric
- ☐ Matching gloves, scarf or hat
- ☐ Various sizes

Other businesses add features that customers want in order to improve existing products. Can you think of other ways to improve this winter coat?

**Possible Answers***Hood, belt, choice of color*

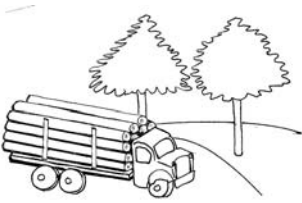


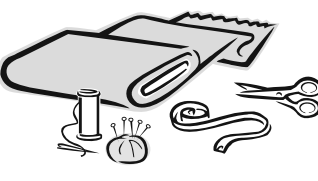
### Providing Services

Some businesses provide services to help customers. For example, a business might clean or repair your coat.

# Adding Value

## Questions and Activities

1) For each of the following raw materials, list at least 5 new products that can be made from it.




Raw Material	New Products
 Lumber or Wood	<b>Possible Answers</b> Furniture (tables, chairs) Doors, Window shutters Musical instruments Handles for shovel, hammer Pencils
 Apricots	<b>Possible Answers</b> Dried apricots Apricot jelly Apricot pastry Packaged apricots Apricot juice
 Wheat	<b>Possible Answers</b> Flour Bread Pastries Pasta Food for animals
 Fabric	<b>Possible Answers</b> Clothing Tablecloths Towels Curtains Bedding

2) Which has more value to a typical person: wool or a wool sweater? Why?

### Possible Answers

The sweater, because it is more useful (practical) to the owner

3) For each of the following basic products, identify at least five extra features that would appeal to buyers. Also indicate 2 services related to that product.

Basic Product	New Features	Related Services
 Wrist watch	<b>Possible Answers</b> <i>Features:</i> alarm, light, stopwatch, metal or leather strap, gold or diamond trim, waterproof <i>Services:</i> watch repair, strap repair	
 Bicycle	<b>Possible Answers</b> <i>Features:</i> comfortable seat, basket, special color, bell, headlight, security chain <i>Services:</i> bike repair, tire repair	
 Automobile	<b>Possible Answers</b> <i>Features:</i> faster engine, better brakes, security alarm, roof rack, spare tire <i>Services:</i> engine repair, tire repair, cleaning service, body repair and painting	

4) In your group, make a list of items in your classroom. List features that might add value to the existing items.

↑

**Possible Answers**  
Answers will vary

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Possible Answers**  
Answers will vary. Help students see:

- ❑ *Functional value:* usefulness of features
- ❑ *Aesthetic value:* appearance, style, image
- ❑ *Cost value:* what customers get for the money and whether it is worth it.

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5) Some people want to buy the least expensive watch, and others want an expensive watch with lots of features. So “value” has different meaning to different people. What kind of watch would you prefer? Discuss your answer in your group.



	Teacher's Session Notes
Session Number	2.2 Starting and Owning a Business
Session Content	<p><i>Exercise:</i> What it Takes to be a Business Owner</p> <p><i>Exercise:</i> Selecting a Business</p> <p><i>Homework Assignment:</i> Generating Business Ideas</p>
Goal(s)	1. Knowledge, Awareness
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Identify the characteristics of a successful entrepreneur</li> <li>• Understand the costs and benefits of choosing to become an entrepreneur</li> <li>• Assess qualifications to start a new business</li> <li>• Determine individual talents, abilities, and skills</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	<i>See Appendix located in the back of the Teacher Manual</i>

Sequence	Time ⌚
<p><u>Step 1: Review Last Class</u></p> <ul style="list-style-type: none"> <li>• Ask students to scan the exercises in 2.1.</li> <li>• Remind them of business cycles.</li> <li>• Ask someone to give an example of a business cycle.</li> <li>• Remind them of the 3 ways to add value.</li> <li>• Ask someone to give an example.</li> <li>• Ask if anyone has any questions.</li> </ul>	5 min

Sequence	Time
<u>Step 2: Introduce Exercise 2.2.A: What it Takes... (Small Group)</u> <ul style="list-style-type: none"> <li>• Divide students into small groups.</li> <li>• Ask them to turn to Exercise 2.2.A in their Workbooks.</li> <li>• Students can take turns reading the information aloud to the others in their group and then address the questions in their own Workbooks.</li> <li>• Walk around and ensure that students are staying focused.</li> <li>• This exercise calls for opinions about characteristics. There are no hard answers to the questions the groups are discussing.</li> </ul>	30 min
<u>Step 3: Review Answers to Exercise 2.2.A (Large Group)</u> <ul style="list-style-type: none"> <li>• Review each Question (1-2) one at a time, asking volunteers to share their thoughts with the class.</li> <li>• Summarize information on the board or flip chart, if necessary.</li> <li>• Ask volunteers to share their answers to Question 3 about their own characteristics. Summarize on the board, if necessary.</li> </ul>	15 min
<u>Step 4: Introduce Exercise 2.2.B: Selecting a Business (Small Group)</u> <ul style="list-style-type: none"> <li>• Announce that now the students will have another exercise. <ul style="list-style-type: none"> <li>◇ <i>“It’s one thing to have the right character qualities to be in business. It’s another to choose the right business idea. There are unlimited possibilities. It is important to select the idea that works best for you.”</i></li> </ul> </li> <li>• Ask them to turn to Exercise 2.2.B in their Workbooks.</li> <li>• Students can take turns reading the information aloud to the others in class.</li> <li>• Again, divide students into small groups (can be different).</li> <li>• Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>• Walk around and ensure that students are staying focused.</li> <li>• These questions ask for opinions and personal answers.</li> <li>• For the drawing, students can use pencils or colored markers.</li> </ul>	20 min
<u>Step 5: Post-exercise Discussion</u> <ul style="list-style-type: none"> <li>• Ask volunteers to share their answers to the Questions. Summarize on the board, if necessary.</li> <li>• Students may want to share their drawings, explaining their choice, with the rest of the class.</li> </ul>	10 min

Sequence	Time
<p><u>Step 6: Review Homework Assignment</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to their homework assignment (2.2.C).</li> <li>• Ask volunteers to read the introduction to the assignment.</li> <li>• Let students know they should come to the next class prepared to discuss their list of business ideas.</li> <li>• Also, they will begin to form teams that will select a business idea to develop into a business plan.</li> </ul>	5 min
<p><u>Step 7: End Session</u></p> <ul style="list-style-type: none"> <li>• Ask if anyone has any questions about these two exercises.</li> <li>• Announce that the class has now completed Section 2 of the course. Students can color in the second circle on their tree (using pencils or colored markers, as available).</li> <li>• Ask students to begin thinking about forming their teams. Each team will consist of no more than 5 members. You, as the teacher, will help make final decisions about team membership.</li> <li>• Remind students of time and day for next class.</li> </ul>	5 min



2.2.A

## What it Takes to Be a Business Owner

Many people prefer to get a job working for someone else. But for thousands of years, and in every country in the world, there are always some people who have chosen to start and run their own business.

What makes a person want to be a business owner? In fact, most business owners have several characteristics in common. While everyone is unique, in general, business people are:

<b>Adaptable</b>	Able to cope with new situations and find creative solutions to problems
<b>Competitive</b>	Willing to compete with and test themselves against others
<b>Confident</b>	Can take the lead; believe they can accomplish goals
<b>Disciplined</b>	Able to stay focused and stick to a schedule and deadlines; able to stay calm in a crisis
<b>Energetic</b>	Have the desire to work hard to accomplish goals
<b>Honest</b>	Committed to tell the truth and deal with people fairly and with integrity
<b>Organized</b>	Able to structure their life and tasks and information in order
<b>Persistent</b>	Refuse to quit; are willing to keep goals in sight and work toward them despite obstacles
<b>Persuasive</b>	Able to convince people and to get them interested in ideas
<b>Risk Takers</b>	Have the courage to expose themselves to possible losses; and to take calculated (but not foolish) risks
<b>Socially Adept</b>	Are able to listen to and empathize with other people
<b>Visionary</b>	Have the ability to see the end result of goals while working to achieve them

In addition to personal characteristics, business owners must have some knowledge and skill. So, it helps if they are:

- Able to communicate well (in writing, as well as in person)
- Knowledgeable about general financing, production, management, human resources, sales, and marketing

# What it Takes to Be a Business Owner

## Questions and Activities

1) Many people argue whether the characteristics of a business owner are natural or learned. For example, can you learn to be organized, or is this a quality that you are born with? For each of the characteristics in the previous table, share your opinion in your group as to whether you believe it is natural or learned (or both).

2) Below are what real business owners say are some advantages and disadvantages of choosing to start your own business. Discuss this list in your group. In your opinion are all the challenges worth the potential benefits? Why or why not?

BENEFITS	CHALLENGES
<b>Profit:</b> The opportunity to accumulate wealth to benefit yourself, your family, and your community.	<b>Business Failure or Loss:</b> Possibility of losing your own money as well as that of your investors, resulting in long term indebtedness.
<b>Independence:</b> The opportunity to work for yourself, make your own decisions and be your own boss	<b>Obstacles:</b> The many challenges you have to encounter in order to start your business and keep it going.
<b>Satisfaction:</b> Getting pleasure in producing a product or providing a service that helps others.	<b>Financial Insecurity:</b> Lack of a steady income or money to pay bills until the business is well established. This could take several years in some cases.
<b>Self-Esteem:</b> A strong feeling of personal accomplishment	<b>Long Hours:</b> Rising early, staying up late, working 70 - 80 hour weeks or more, especially at start-up.
<b>Satisfaction:</b> A contentment that their business provides a high degree of personal satisfaction	<b>Stress:</b> Long hours lead to hard work, creating stressful situations for the owner/entrepreneur and the family
<b>Contributions to the Community:</b> Positive feeling that they are providing jobs and opportunities for others in their community	<b>Loneliness:</b> It can be both lonely and scary when one person is the only one responsible for making important decisions that affect others.

3) Do you have what it takes to be a business owner? Make a list of the characteristics that you feel you have now or could learn.

Have

Could Learn

### Possible Answers

Answers to Questions 1-3 on this page will vary, based on students' opinions and aptitudes.



2.2.B

## Selecting a Business

Anyone starting a business needs to get the answers to the following three basic questions:

### 1. Is there a demand for this business?



- a. Will people pay money for this product or service?
- b. Will I be able to generate enough income to earn a profit?
- c. Is my product idea original or does it offer something unique in the marketplace?

### 2. Do I have the knowledge and skills for this business?



- a. If I don't, can I learn?
- b. If I don't, can I find others who do?
- c. If I do have some knowledge what more do I need

### 3. Can I assemble the cash, equipment, supplies, and other resources for this business?



- a. If I don't have the resources in hand, can I borrow them?
- b. Will I need to find investors to help?
- c. How will I cover expenses while I am starting (before I start selling)?

All businesses start with an idea, and then a plan should be developed.

Coming up with the right idea is an important first step. The idea should be able to address the three questions above. A business plan helps the business owner determine how to implement the business idea.

Formal businesses need to register with the government; some may need special licenses or permits.

## Selecting a Business

### Questions and Activities

1) One way to identify a good business idea is to start with what you like to do. Make a list of your hobbies and interests (in and out of school).

_____	_____
_____	_____
_____	_____

2) Share this list with others in your group. Do some of you have the same interests? Put a star next to the items that are the same as others in your group.

3) Do any of these interests have the potential to be a business? That is, would someone pay for your knowledge, skill, or product? Make a list here of any ideas you have.

_____	_____
_____	_____

4) Choose one skill from your list and draw a picture in the space below of a business that uses that skill. Use your imagination!








# Section 3: Planning

## Teacher's Notes and Instructions

	Teacher's Session Notes
Session Number	3.1 Planning for Business
Session Content	Introduction to Business Planning Team Business Idea Selection
Goal(s)	2.Bus. Skills; 4.Application
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Explain the importance of planning in business</li> <li>• Identify key sections of a business plan</li> <li>• Form teams and select a team business idea</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	<i>See Appendix located in the back of the Teacher Manual</i>

Sequence	Time 
<p><u>Step 1: Review Last Class</u></p> <ul style="list-style-type: none"> <li>• Ask students to scan the exercises in 2.2.</li> <li>• Remind them of characteristics of a business owner.</li> <li>• Ask someone to give an example.</li> <li>• Remind them of the 3 questions to help select a business.</li> <li>• Ask someone to give an example.</li> <li>• Ask if anyone has any questions.</li> <li>• Note that they will be addressing the homework assignment later.</li> </ul>	5 min

Sequence	Time
<p><u>Step 2: Provide Overview of Business Planning</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to the back of their Workbooks to Business Planning Background Information.</li> <li>• Give them a few moments to scan the first page.</li> <li>• Summarize the information there, and then turn to the Business Plan Template.</li> </ul> <p>◇ <i>“Soon, you will be forming teams to work together to complete this Plan around a business idea that you will select. But before you do that, it is helpful to get a preview of what you will be doing. Please keep this information in mind later, when you are discussing which business idea to select.”</i></p> <ul style="list-style-type: none"> <li>• Tell students to take a few minutes to examine the sections of the Plan template.</li> </ul>	15 min
<p><u>Step 3: Manage the Formation of Teams</u></p> <ul style="list-style-type: none"> <li>• Ask which teams have already formed.</li> <li>• Help those who haven’t joined to find a team with which to work.</li> <li>• Limit team size to between 2 and 5 persons – optimal size is 3-4.</li> </ul> <p><i>Remember, each team will present to the class later on – too many teams will take up too much class time. Keep the total number of teams around five.</i></p>	15 min
<p><u>Step 4: Help Teams with Business Idea Selection</u></p> <ul style="list-style-type: none"> <li>• Tell students that now the Teams must identify one business idea that they will work on for the remainder of the course.</li> <li>• The business idea should:             <ul style="list-style-type: none"> <li>○ Be simple and clear</li> <li>○ Be realistic in terms of the local economic, geographic, and demographic conditions.</li> </ul> </li> <li>• Ask students to turn to their homework assignment from last time. They should each have a list of business ideas.</li> <li>• Tell team members they should share their lists with each other and aim to develop a list of their top 3-5 business ideas. Give them time to do this, walking around to ensure they stay focused.</li> <li>• Walk around and listen to each team’s discussion of ideas. Help them prioritize a “top five” list, and then narrow down to the “top three.”</li> <li>• If students have difficulty in deciding on just one idea, have them review the components of the business plan template. Tell them they will have to complete the entire template. They should try to imagine whether they will be able to generate enough information about their business idea to complete the plan.</li> <li>• If this does not result in a final choice, they may need to vote and try one idea as an interim choice – confirming it at a later class.</li> </ul>	30 min

Sequence	Time
<u>Step 5: Final Selection of Business Idea</u> <ul style="list-style-type: none"> <li>Tell them to refer to the Team Business Plan Worksheet in their Workbooks (3.1) to help them refine their choice.</li> <li>When everyone is ready, make a list of the final Team Business Ideas on the board for all to see.</li> </ul>	20 min
<u>Step 6: End Session</u> <ul style="list-style-type: none"> <li>Remind students that from this point forward, they will be returning to their Team Business Idea, developing it into a Business Plan.</li> <li>Remind students of time and day for next class.</li> </ul>	5 min

## TEAM ASSIGNMENT 3.1



3.1

# Team Business Selection Worksheet

List Team Members Here:

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The Business Idea our Team has selected is *(provide short description)*:

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We selected this Business Idea because:

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We think people will be interested in buying our product (or service) because:

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The name of the Team Business is:

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Draw a picture of your product or service here:

List the product or service's features here, including how customers would benefit, and how they might use it.

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	Teacher's Session Notes
Session Number	3.2 Business Preparation
Session Content	<i>Exercise: Projecting Income</i> <i>Exercise: Startup Costs and Considerations</i> Team Assignment
Goal(s)	1. Knowledge, Awareness; 2. Business Skills
Objectives	<i>At the end of this session, students will be able to:</i> <ul style="list-style-type: none"> <li>• Describe considerations for starting a business</li> <li>• Recognize the need to formally register and identify steps</li> <li>• Identify resources and estimate initial costs necessary for starting a small business</li> <li>• Identify potential sources of funding a business</li> </ul>
Methodology	Student Workbook Exercise, Team Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	None

Sequence	Time 
<u>Step 1: Review Last Class</u> <ul style="list-style-type: none"> <li>• Remind students of the importance of business planning (refer to Appendix 1).</li> <li>• <b>Ask someone to give at least one reason for what?</b></li> <li>• Remind the class of the teams and Business Ideas selected.</li> <li>• Ask if anyone has any questions.</li> </ul>	5 min

Sequence	Time
<p><u>Step 2: Introduce Exercise 3.2.A (Small Groups)</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 3.2 in their books.</li> <li>• Divide students into small groups or their Teams.</li> <li>• Students can take turns reading the information at the top of the page aloud to each other in their group.</li> <li>• Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>• Walk around and ensure that students are on track.</li> </ul>	10 min
<p><u>Step 3: Post-exercise Discussion (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Referring to answers in the Teacher Manual, quickly lead students through discussion of the answers to Questions 1-3.</li> <li>• Summarize information on the board or flip chart, if necessary. <ul style="list-style-type: none"> <li>◇ <i>“Are you surprised by how much money can be generated by one business? Why or why not?”</i></li> <li>◇ <i>“Do these numbers make you more interested in starting a business? Explain your answer.”</i></li> </ul> </li> </ul>	10 min
<p><u>Step 4: Introduce Exercise 3.2.B (Small Groups)</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 3.2.B in their books.</li> <li>• Divide students into small groups or their Teams.</li> <li>• Students can take turns reading the information at the top of the page aloud to each other in their group.</li> <li>• Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>• Walk around and ensure that students are on track.</li> </ul>	20 min
<p><u>Step 5: Post-exercise Discussion (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Referring to answers in the Teacher Manual, lead students through discussion of the answers to Questions 1-3.</li> <li>• Summarize information on the board or flip chart, if necessary. <ul style="list-style-type: none"> <li>◇ <i>“How realistic do you think these two sample businesses are? Do you know of any businesses like these in your community?”</i> <ul style="list-style-type: none"> <li>○ <i>Let’s look first at the Cleaning Business</i></li> <li>○ <i>Now let’s look at the Carpet-Weaving Business</i></li> </ul> </li> <li>◇ <i>“Can you think of other costs and considerations not included here?”</i></li> </ul> </li> </ul>	15 min



Sequence	Time
<u>Step 6: Introduce Team Assignment</u> <ul style="list-style-type: none"> <li>• Ask students to turn to Team Assignment 3.2</li> <li>• Instruct the Teams to work together to address the questions and activities listed there.</li> <li>• Walk around to make sure students stay focused.</li> </ul>	10 min
<u>Step 7: Allow Teams to Work on Business Plan</u> <ul style="list-style-type: none"> <li>• Announce that Teams now have time to work on part of their business plan. They can start to enter information into the first section (Business Profile and Summary).</li> <li>• They should focus on the following subsections: Business Description, Business Type, Product Description, Startup Costs and Considerations. Write these subsection titles on the board for all to see.</li> </ul>	15 min
<u>Step 8: End Session</u> <ul style="list-style-type: none"> <li>• Ask if anyone has any questions about the day's exercises.</li> <li>• Announce that the class has now completed Section 3 of the course. Students can color in the third circle on their tree (using pencils or colored markers, as available).</li> <li>• Remind students of time and day for next class.</li> </ul>	5 min



3.2.A

## Projecting Business Income

The prospect of starting a business can be exciting. Receiving money from buyers is a satisfying return for all the hard work and effort.

To estimate how much income you are likely to get in a month (or year) you will need to know the following:

- Average number of sales (in a day or week)
- Price of item or hour of service

*Assume four weeks in a month and 12 months in a year*

### Questions and Activities

1) A shoe repair service typically gets 10 repair orders in a week. The repairman charges 250 Afs for his service.

- How much income does the business get in a month?

10,000 (10 x 250 x 4 weeks)

- How much income does the business get in a year?

120,000 (10,000 x 12)

2) A farmer sells olives in the marketplace two days a week. On an average day, he sells to about 15 people. Typically, people buy 500 grams of olives at 79 Afs.

- How much income does the business get in a month?

37,920 (8 days x 15 x 79 x 4 weeks)

- How much income does the business get in a year?

455,040 (37,920 x 12)



3.2.B

## Business Start-up Costs and Considerations

With any new project, it can be difficult to know where to start. For starting a business, it is helpful to begin to collect information about the following:

**Existing Assets:** This includes anything we already have that will help launch the business, such as: money, equipment, and tools. It also includes the talents and skills of the team members. Other assets might include access to others with cash, knowledge or expertise, who could help the business get started. *(Remember the Physical, Human, Capital Resources discussion in Session 1.2).*

**Needs.** While listing assets, you can also start a list of those resources you will need to acquire. You can note possible options for getting those resources, as well as estimate how much they might cost.

**Potential Sources of Funds.** Part of the initial assessment includes a list of those people and places that might be willing to lend you money or invest in your business.

**Other Requirements.** You also will need to formally register the business, and pay a registration fee. Some businesses may also need special licenses or other legal documents to get started.

# Business Start-up Costs

## Questions and Activities

1) A family has decided to start a cleaning business to clean homes, stores, and other businesses in town. They made a list of the resources they have, as well as the ones they will need:

### Existing Assets

- ❑ 2 brooms
- ❑ Bucket
- ❑ Cleaning cloths

### Needs

- ❑ Cleaning supplies (soap, cleaning brushes)
- ❑ Another bucket
- ❑ Transportation
- ❑ Business registration fee

Based on your own knowledge, estimate the costs of the needed items on their list.

- For Transportation, choose an option that you and your group think makes the most sense (for example, car, truck, donkey and cart, bicycle) and whether it should be new or used. Estimate the purchase price of your choice.
- For Business registration fee, see Appendix 1 in the back of this Workbook for suggestion cost information.

Student answers will vary, and should be based on local market prices – or their best estimates. Answers do not have to be exact. Teachers can share their own knowledge about local prices and options.

2) The family has some money in savings. Also, a friend can loan them money for the first month. The grandfather has offered to give them 1000 Afs. A neighbor wants to invest 2000 Afs in their venture, and become a partner in the business. The family is also considering applying for a 10,000 loan from the bank to purchase a vehicle. Based on this information, complete the chart below, inserting amounts and check marks where appropriate, and calculating the total.

Source	Amount	Investment (✓)	Loan (✓)	Gift/Other (✓)
Personal Funds	490	<input checked="" type="checkbox"/>		
Friends	200		<input checked="" type="checkbox"/>	
Relatives	1000			<input checked="" type="checkbox"/>
Bank	10,000		<input checked="" type="checkbox"/>	
Other Investors	2000	<input checked="" type="checkbox"/>		
TOTAL Funds	13,690			

3) Do you think this family with the cleaning business should purchase a vehicle? If they get the business loan from the bank, what other ways might they use the money to help their business? Discuss your answers in your group.

There is no single answer. A vehicle would offer many advantages, but would require fuel and maintenance. Other less expensive transportation options would allow them to use the remaining funds to purchase more supplies and spend money on advertising their new business.

4) Another family wants to start a carpet-weaving business. Here is a summary of some of the start-up resources they listed for themselves:

#### Existing Assets

- ❑ One old loom (fixed size)
- ❑ Wool-dyeing equipment
- ❑ Scissors, wool comb
- ❑ Expert weaver
- ❑ Transportation (old truck)
- ❑ Expert weaver
- ❑ Uncle with export knowledge and connections

#### Needs

- ❑ New adjustable loom
- ❑ Vegetable dyes (various colors)
- ❑ Spun Wool
- ❑ Business registration fee
- ❑ Rug pattern designer/artist
- ❑ Larger workspace

Assume that the family cannot afford to get all the things on their list of needs right away. In your opinion, which items should be higher priorities? Which item is the highest priority for a carpet-weaving business? Which items might the business get by without for a few months?

- Higher priority items on their list include: Spun Wool, Dyes, and Pattern Designer
- Highest priority is Spun Wool (already dyed). Without this, they cannot make any products.
- The new business may be able to get by with only one loom at first, and using their existing workspace. Also, instead of hiring a rug design artist, they could explore borrowing or purchasing existing patterns.

TEAM ASSIGNMENT 3.2:
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- 1) Make a list of resources needed for your Team Business Idea.
- 2) List existing assets, as well as those things you will need to acquire.
- 3) Prioritize your needs list
- 4) Estimate approximate costs of priority items. Costs can include everything needed for startup and the first month the business is open.

Use the space below for your notes. When you are ready, put the total estimated funds you will need to start your business here:


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# Section 4: Marketing

## Teacher's Notes and Instructions

	Teacher's Session Notes
Session Number	4.1 Overview of Marketing
Session Content	Exercise : Marketing Basics
Goal(s)	2. Business Skills; 4. Application
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>Identify components of marketing (e.g. product, place, price, promotion, and people)</li> <li>Identify and describe product features that appeal to various customers</li> <li>Select appropriate methods to define and respond to customer concerns and target market</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper, Poster B (copies)
Background for Teacher	None

Sequence	Time 
<u>Step 1: Review Last Class</u> <ul style="list-style-type: none"> <li>Ask students to scan the exercises in 3.2.</li> <li>Remind them of types of start-up considerations.</li> <li>Ask someone to give an example.</li> <li>Remind them of the cleaning and carpet businesses.</li> <li>Ask someone to give an example of start-up needs for each.</li> <li>Ask if anyone has any questions.</li> </ul>	5 min



Sequence	Time
<p><u>Step 2: Introduce Exercise 4.1 Marketing Basics (Small Groups)</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 4.1 in their books.</li> <li>• Students can take turns reading the information on the first page aloud to the others in class.</li> <li>• Again, divide students into small groups or their Teams.</li> <li>• Distribute Poster B (one to each group).</li> <li>• Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>• Walk around and ensure that students are on track.</li> </ul>	25 min
<p><u>Step 3: Post-exercise Discussion (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Referring to answers in the Teacher Manual, lead students quickly through discussion of the answers to Questions 1-3.</li> <li>• Summarize information on the board or flip chart, if necessary. <ul style="list-style-type: none"> <li>◇ <i>“Have you had any experiences at stores or the marketplace similar to the ones quoted?”</i></li> <li>◇ <i>What types of things do you appreciate when you are shopping?</i></li> </ul> </li> <li>• Remember to collect the Posters and return to Training Kit</li> </ul>	15 min
<p><u>Step 4: Introduce Team Assignment</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Team Assignment 4.1.</li> <li>• Instruct the Teams to work together to address the questions and activities listed there.</li> <li>• Walk around to make sure students stay focused.</li> </ul>	20 min
<p><u>Step 5: Allow Teams to Work on Business Plan</u></p> <ul style="list-style-type: none"> <li>• Announce that Teams now have time to work on part of their business plan. They can start to enter information into Part 1: Business Profile and Summary.</li> <li>• They should focus on the following subsections: Business Description, Business Type, and Product Description. Write these subsection titles on the board for all to see.</li> </ul>	15 min
<p><u>Step 6: End Session</u></p> <ul style="list-style-type: none"> <li>• Ask if anyone has any questions about the day's exercises.</li> <li>• Remind students of time and day for next class.</li> </ul>	5 min



4.1

## Marketing Basics

Without customers, businesses would not exist. Business owners try to find ways to attract customers to buy their products and services. Marketing strategies usually include four key components.

**Product or Service**

- What features are most attractive to customers?
- What benefits do they get from the product or service?

**Price**

- Is the price affordable for most interested buyers and in line with my competitors' prices?
- Will it also cover my costs and help generate a profit for the business?

**Place**

- Is the location convenient to customers?
- Are the premises clean and attractive?
- Do customers know how to find me?

**Promotion**

- What discounts or special offers are most attractive to customers?
- How might I package or display the product in a tempting way?
- What other products or services can I link to this one that would appeal to buyers?

# Marketing Basics

## Questions and Activities

1) Listening to What Customers Say. Refer to Poster B; which shows several places of business in a small community. Below are quotes from customers overheard around town. Look at the illustration and find all possible locations where this quote might be heard. Put the business number(s) in the blanks provided.

<u>Customer Comment</u>	<u>Possible Businesses</u>
A. "I've been coming to this shop on the corner for years. They stay open late, which fits my schedule"	_____
B. "That shop is so convenient; it's close to the central marketplace"	_____
C. "This food is very fresh. This place has the best selection."	_____
D. "That business on the edge of town is a bit far to walk, but the service is worth it!"	_____
E. "They travel a long way each week to bring their products to town, but they have low prices and give out free samples."	_____
F. "That business by the _____ is nice. I wish their quality was better, but I love their prices!"	_____
G. "I heard the business next to the _____ is having a special sale next month."	_____

2) For the previous quotes, determine which of the four basic aspects of marketing is being referenced: Product, Price, Place or Promotion.

A.	_____	A. Place	E. Price and Promotion	_____
B.	_____	B. Place	F. Price	_____
C.	_____	C. Product	G. Promotion	_____
D.	_____	D. Product/Service		_____

### Marketing Messages

3) Often, business owners incorporate what customers say into their marketing messages. Using the quotes from the previous exercise, write a short message the business might include in its advertising.

Example:

**Quote A:** "I've been coming to this shop on the corner for years. They stay open late, which fits my schedule"

### Advertisements:

A. We are conveniently located.  
We stay open late for you!

B. \_\_\_\_\_

C.	_____	B. Conveniently located near the central market !
D.	_____	C. We have the best selection in town. Our food is always fresh and tasty!
	_____	D. Many satisfied customers! We provide excellent service!
E.	_____	E. Try it before you buy it!
	_____	F. Low prices. We save you money.
F.	_____	G. Special Savings! Sale! Limited time only.

G. \_\_\_\_\_

## TEAM ASSIGNMENT 4.1

1) Where will your business be located, and what will it look like? Make notes here as you discuss with your Team. Include ideas about how you might market your location to customers.

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2) Choose some features from the list below that might best describe your product or service (Circle all that apply) If you like, add your own words to the list.

Affordable	Stylish	Entertaining
Convenient	Tasty	Long-lasting
Comfortable	Fresh	Valuable
High-quality	Customized	Durable
Easy	Fast	
Flexible	Professional	
Unique	Fashionable	
Beautiful	Useful	

3) Will you offer any discounts, coupons, samples or other promotional strategies to attract customers? Make notes here.

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4) Make a list of advertising messages you could use to describe the advantages of buying from your team's business

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	Teacher's Session Notes
Session Number	4.2 Customers and Competitors
Session Content	Exercise: Getting to Know Your Customers Exercise : Having a Competitive Advantage
Goal(s)	1. Knowledge, Awareness; 2, Business Skills; 4. Application
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Discuss the impact of competition on keeping/increasing market share</li> <li>• Identify features of the product or service of the team business</li> <li>• Plan the location and facilities needed for a planned business</li> <li>• Develop a profile of target customer groups for team business</li> <li>• Identify and profile local competitors for team business</li> <li>• Differentiate the team product/service from that of competitors</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper, Poster B
Background for Teacher	None

Sequence	Time 
<p><u>Step 1: Review Last Class</u></p> <ul style="list-style-type: none"> <li>• Remind students of last class and exercise 4.1.</li> <li>• Ask someone to list the four basic aspects of marketing (product, price, place, promotion). Ask for an example of each.</li> <li>• Ask if anyone has any questions.</li> </ul>	5 min
<p><u>Step 2: Introduce Exercise 4.2.A Know Your Customers (Small Groups)</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 4.2.A in their books.</li> <li>• Students can take turns reading the information on the first page aloud to the others in class.</li> <li>• Again, divide students into small groups or their Teams.</li> <li>• Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>• Walk around and observe to ensure that students are on track.</li> </ul> <p><i>Note: the answers in this exercise are based on students' own knowledge. The Teacher can share own knowledge and insights to help move students forward.</i></p>	20 min

Sequence	Time
<u>Step 3: Post-exercise Discussion (Large Group)</u> <ul style="list-style-type: none"> <li>Lead students through discussion of the answers to Question 1.</li> <li>Summarize information on the board or flip chart, if necessary.</li> </ul> <p>◇ “What are some examples in our community of businesses targeting particular customers? (Possible Target groups include children (clothes or toys); farmers; students)</p>	5 min
<u>Step 4: Introduce Exercise 4.2.B. (Small Groups)</u> <ul style="list-style-type: none"> <li>Ask students to turn to Team Assignment 4.2.B</li> <li>Students can take turns reading the information on the first page aloud to the others in class.</li> <li>Again, divide students into small groups or their Teams.</li> <li>Distribute Poster # 2 (one to each group).</li> <li>Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>Walk around and observe to ensure that students are on track.</li> </ul>	20 min
<u>Step 5: Post-exercise Discussion (Large Group)</u> <ul style="list-style-type: none"> <li>Lead students through discussion of the answers to Questions 1-2.</li> <li>Summarize information on the board or flip chart, if necessary.</li> </ul> <p>◇ “What are some examples in our community of businesses targeting particular customers? (Possible Target groups include children (clothes or toys); farmers; students)</p>	10 min
<u>Step 6: Introduce Team Assignment – Customers and Competitors</u> <ul style="list-style-type: none"> <li>Ask students to turn to Team Assignment 4.2</li> <li>Instruct the Teams to work together to address the questions and activities listed there.</li> <li>Walk around to make sure students stay focused.</li> </ul>	10 min
<u>Step 7: Introduce Team Assignment – Marketing Poster</u> <ul style="list-style-type: none"> <li>Provide plain white paper and colored markers, if available.</li> <li>Ask students to turn to Team Assignment 4.2 – Marketing Poster.</li> <li>Instruct the Teams to work together, even if they make more than one poster.</li> <li>Walk around to make sure students stay focused.</li> <li>To conclude, students should show their posters to classmates.</li> </ul>	15 min
<u>Step 8: End Session</u> <ul style="list-style-type: none"> <li>Ask if anyone has any questions about the day's exercises.</li> <li>Remind students of time and day for next class.</li> </ul>	5 min



4.2.A

## Getting to Know Your Customers

One important aspect of marketing is learning as much information about customers as possible. The more you know, the more you can understand and anticipate their needs and wants.

Business owners need to know more than just whether customers like their products. It is also helpful to know who their customers are.

Customer profile information could include:

- Average Age
- Gender (male or female)
- Occupation (farmer, wholesaler, student, homemaker)
- Buying habits (when customers shop and how often)
- Attitudes toward competitors (which products and services do they prefer, and why?)

It can be relatively easy to collect information about customers who live close by. It is more challenging for exporters and businesses in large cities, whose customers may live in various locations.



1) Imagine that you and your classmates have decided to start selling pencils and erasers to people at your school. Fill in the blanks below to create a profile of your potential customers.

### Primary Selling Location: School

#### Customer Profile

Population	Gender (%Male, % Female)	Average Age	Number
Students	_____	_____	_____
Teachers	_____	_____	_____
Staff	_____	_____	_____

TOTAL (Overall Market Size) \_\_\_\_\_

How many of these are likely to buy your product? \_\_\_\_\_

This is your **Target Market**

#### Customer Buying Habits

Where do they currently buy school supplies?

	<u>Typical Price Per Item</u>	
	<u>Pencils</u>	<u>Erasers</u>
<u>Local Shops</u>	_____	_____
<u>Central Market</u>	_____	_____
<u>Street Vendors</u>	_____	_____
<u>Other</u>	_____	_____
AVERAGE PRICE	_____	_____

How many supplies do they typically buy in a school year?

Pencils: \_\_\_\_\_ x average price \_\_\_\_\_ = \_\_\_\_\_ Total per year

Erasers: \_\_\_\_\_ x average price \_\_\_\_\_ = \_\_\_\_\_ Total per year

TOTAL (Average purchase per person per year) = \_\_\_\_\_

Average purchase \_\_\_\_\_ x Target Market \_\_\_\_\_ = \_\_\_\_\_

This is your total potential sales in a school year.

To calculate the potential monthly sales, divide the number above by the number of school months in a year.

\_\_\_\_\_ per month (potential sales)



## Having a Competitive Advantage

4.2.B

Sooner or later, someone will try to offer a product or service similar to yours to lure away your customers. To understand how to analyze your competition, it helps to see those businesses from the position of your customers. What makes them choose the place where they will spend their money?

Factors determining buyer's choices include:

Price	Many people go to several businesses and compare prices before they buy.
Location	Businesses that are in good locations often attract more buyers.
Convenience	If business hours are amenable, and shopping is fast and easy, many buyers will return.
Image, style	Some shops are considered high fashion, or they have special brands that attract buyers.
Service	People appreciate good customer service with a friendly smile.
Knowledge, skill	Some people prefer to do business with someone who knows a lot about their product, for example, how to repair it.
Quality	People do not want to waste their money on poor quality. They want products and workmanship that last.
Cleanliness	Selling spaces that are pretty, neat, and organized draw buyers' attention.
Honesty	Sometimes, people value honesty above price or other factors.
Reliability	Buyers tend to do business with those they can depend on, who offer products that are reliable.

If you can be better than your competition on any of these points, you have a **competitive advantage** over your competitors. You may be able to attract more customers and/or have a higher price than others.

# Having a Competitive Advantage

## Questions and Activities

*For the following activities, refer to Poster B*

[Business numbers to be updated]

1) Business #9 (on Main Street) is offering the same items as a vendor in the Central Market (#1). Business #9 is open every day; the Market vendor is there two days per week. The Market vendor offers discounts on most items. Everyone knows the owner of Business #9; he is always telling funny stories, and giving advice to help families. The Market vendor has the reputation for bringing the best selection of items to the market.

Competitive Advantage	Which business has a competitive advantage (enter Business #)	
Convenience (Business Hours)		#9
Price		#1
Service		#9
Knowledge		#9
Quality		#1
Location		Could be #1 or #9

2) Business # 16 (on the edge of town) competes with Businesses #5 and 7 (on Main Street). Business #7 has very loyal customers, who have been coming there for years. Because Business #16 has lower rent costs, he offers lower prices; his customers appreciate how he always keeps his promises, and he also does repairs. Business #5 offers popular imported items that are made of strong materials; they just refreshed and painted their shop and redecorated the inside.

Competitive Advantage	Which business or businesses have a competitive advantage (enter Business #)	
Reliability		#7, 16
Price		#16
Image		#5
Cleanliness		#5
Quality		#5
Location		#5, then #7

## TEAM ASSIGNMENT 4.2: Customers and Competitors

1) In your group, identify your target customer groups (age, occupation, buying habits, ability to purchase, and so on). Make some notes about your target customer groups here.

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2) Identify those businesses who might offer similar products or services to that of your Team. What competitive advantages do they currently have? List the competitors and their strengths below.

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2) Discuss what you would like your business and product or service to be known for (see the list on page 61). Write down those potential competitive advantages here.

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## TEAM ASSIGNMENT 4.2 – Marketing Poster


- Refer to the marketing messages information in Exercises 3.2 and 4.1. In your team, design a marketing poster that could be used to advertise your business.
- Take a blank piece of paper and use pencils or colored markers to draw your Team poster.
- You may choose to have one poster per Team, or have several members working on different posters. But, the Team as a whole should approve the design and message of each poster.



# Section 5: Finance

## Teacher's Notes and Instructions

	Teacher's Session Notes
Session Number	5.1 Introduction to Business Finance
Session Content	Exercise: Overview of Business Costs Exercise: Product Costing
Goal(s)	2. Business Skills
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Distinguish direct and indirect costs</li> <li>• Recognize and categorize cost items within a monthly budget or income statement</li> <li>• Calculate cost items in an example</li> <li>• Calculate product costs using various inputs</li> <li>• Make simple cost projections</li> </ul>
Methodology	Student Workbook Exercises
Materials Needed	Workbook, pencils, paper
Background for Teacher	See Teacher Appendix 1

Sequence	Time 
<p><u>Step 1: Review Last Class</u></p> <ul style="list-style-type: none"> <li>• Remind students of last class and exercise 4.1.</li> <li>• Ask things that are useful to know about customers (e.g., age, occupation).</li> <li>• Ask for examples of competitive advantages (listed in 4.1).</li> <li>• Ask if anyone has any questions.</li> </ul>	5 min

Sequence	Time
<p><u>Step 2: Introduce Exercise 5.1.A: Overview of Costs ... (Small Groups)</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 5.1.A in their books.</li> <li>• Students can take turns reading the information on the first page aloud to the others in class.</li> <li>• Again, divide students into small groups or their Teams.</li> <li>• Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>• Walk around and ensure that students are on track.</li> </ul>	30 min
<p><u>Step 3: Post-exercise Discussion (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Referring to answers in the Teacher Manual, lead students through discussion of the answers to Questions 1-2.</li> <li>• Summarize information on the board or flip chart, if necessary.</li> <li>• Give them time to reflect on why the answers are as indicated.</li> </ul> <p>◇ <i>“Why is it important in business to know what our fixed costs are (Answer: because these costs must be paid no matter how many sales we make)</i></p> <p>◇ <i>For variable costs, let’s think about other business examples.</i></p> <ul style="list-style-type: none"> <li>○ <i>What about the carpet-weaving business we talked about last time? What variable costs might they have? (Answer: wool (per carpet), dyes, labor time). Would scissors be a direct cost? (Answer: No, because you can use the scissors for many products)</i></li> <li>○ <i>And a bakery? What variable costs might they have? (Answer: flour, yeast, oil, salt, sugar, labor). Is the oven a direct cost (Answer: No, it is a one-time cost – the oven can be used for many bakery products)</i></li> </ul> <p>◇ <i>“Fixed costs (those that must be paid) are also often indirect (general). Examples are rent and loan payments. Don’t worry too much about the definitions for now. Just know that once you decide how to organize costs for your business, you should remain consistent in your own definition.</i></p>	10 min
<p><u>Step 4: Introduce Exercise 5.1.B Product Costing (Small Groups)</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 5.1.B.</li> <li>• Students can take turns reading the information on the first page aloud to the others in class.</li> <li>• Again, divide students into small groups or their Teams.</li> <li>• Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>• Walk around and ensure that students are on track.</li> </ul>	20 min

Sequence	Time
<p><u>Step 5: Allow Teams to Work on Business Plan</u></p> <ul style="list-style-type: none"> <li>• Announce that Teams now have time to work on part of their business plan. They can start to enter information into the first section (Business Profile and Summary).</li> <li>• They should focus on the following subsections: Customer Profile, Competitor Profile, and any remaining information in the first section.</li> <li>• Write these subsection titles on the board for all to see.</li> </ul>	20 min
<p><u>Step 6: End Session</u></p> <ul style="list-style-type: none"> <li>• Ask if anyone has any questions about the day's exercises.</li> <li>• Remind students of time and day for next class.</li> </ul>	5 min





## Overview of Business Costs

Once a business has gathered the necessary resources to get started, the owners can start producing the product or performing the service. But each time a new product is produced, more costs are incurred.

Costs To Make a Table

Equipment that can be re-used for more tables	Materials for Each Table	Labor for Each Table
<ul style="list-style-type: none"><li>• Hammer</li><li>• Saw</li><li>• Measuring Tool</li><li>• Instructions or Patterns</li></ul>	<ul style="list-style-type: none"><li>• Wood</li><li>• Nails</li><li>• Varnish or paint</li></ul>	<ul style="list-style-type: none"><li>• Time to measure and cut wood</li><li>• Time to assemble the parts</li><li>• Time to varnish or paint</li></ul>

The re-usable equipment is considered **one-time or start-up costs**. The materials and labor to make each item are called **direct costs**.

Every month, businesses incur other costs. Examples are: rent, electricity, telephone, and advertising. These are called **indirect costs**, because they do not directly relate to an individual product or service.

Some business costs are known as **fixed costs** – they must be paid regardless of the quantity of sales. **Variable costs** are those items that change depending on the volume of sales.

A family makes products that it sells once a week at the marketplace. To participate, they must pay for transportation to get there, and a daily entrance fee. On the weeks they do not attend, they do not pay those costs (and do not make any sales). Transportation to the market and the daily entrance fee are examples of variable costs.

# Overview of Business Costs

## Questions and Activities

1) For the following items, indicate whether they are:

- Start-up (or one-time) costs (e.g., equipment that can be re-used for many products or services)
- Direct costs (e.g., materials and labor for each product)
- Indirect costs (e.g., rent, electricity)

- Fabric for making a set of curtains
- A sheep for milk and cheese
- Time needed to plant seeds for this year's crops
- Pans for baking bread
- Time to repair a customer's shoes
- Monthly fee for location at bazaar
- Computer
- Monthly installment payments on loans
- Repair broken generator in workplace

Direct
Start-up
Direct
Start-up
Direct
Indirect
Start-up
Indirect
Indirect

2) For the following items, indicate whether they are:

- Fixed costs (must be paid regularly regardless of sales quantity).  
*Examples are: monthly rent, salaries for full-time employees.*
- Variable costs (only paid to produce and sell products/services).  
*Examples are: product packaging, shipping charges.*

- Fee from accountant for calculating annual taxes
- Hiring seasonal workers to help with harvest
- Monthly telephone bill
- Export fees for shipping products internationally
- Annual business license renewal fee

Fixed
Variable
Fixed
Variable
Fixed

*NOTE: Fixed costs (must be paid) are also often indirect (general). Examples are rent and loan payments. Once you decide how to organize costs for your business, remain consistent in your own definition.*



## Product Costing (Materials and Labor)

It is helpful to know how much each product costs to make. If we know this information, as well as how many products we make in a month, then we can calculate our monthly direct costs. Remember, direct costs are materials and labor required to make a product (or perform a service). Let's return to the Table example from the previous exercise.

### Calculating Direct Costs for Making a Table

Materials for Each Table	Cost per Table (Afs)
Wood (5 large pieces, high quality @ 98 each)	490
Nails (1/10 of a box @ 90 Afs per box)	9
Varnish or paint (1/2 small can @ 120 Afs per can)	60
<b>TOTAL MATERIALS COST</b>	<b>559</b>

Steps for Making Each Table	Hours	Labor Rate / Hour	Cost (Afs)
Measure and cut wood	0.5	50	25
Assemble the parts	1.0	50	50
Apply varnish or paint (2 coats)	2.5	50	125
<b>TOTAL LABOR COST</b>			<b>200</b>

**TOTAL DIRECT COSTS PER TABLE (MATERIALS + LABOR) = 759**

There are other costs associated with doing business. Items such as rent, electricity, and marketing are part of the overall cost picture.

# Product Costing

## Questions and Activities

1) If the Carpenter makes 2 tables per day and works six days per week, what would be his total direct costs per week? Per month?

Answer: 12 tables per week x 759 = 9,108

Answer: 2 tables per day x 24 days per month x 759 = 36,432

2) If the table maker cuts his labor rate in half, what would be his total direct costs per week?

Answer: Cost per table would be reduced to 659,  
so 12 tables per week x 659 = 7908

3) Many business owners do not pay themselves a regular salary (because they want to keep their monthly costs low). What do you think? For example, should the carpenter get paid for the time he spent making the table?

Most people would accept that the craftsperson should be compensated for his skill and time. If he is only covering the cost of materials, he likely will be unable to make a living at building tables.


### OPTIONAL CHALLENGE EXERCISE *(Can be done outside of class)*

4) The following represents some costs for an okra-growing farm business for one month during the planting season. The farm land total is 5 jeribs, but only 1 jerib will be used for planting okra this year. Review the items and complete the budget chart by inserting totals.

Material	Unit Totals	Cost per Unit (Afs)	Total Cost for This month
Okra Seed	2kg per jerib	160 per kg	320
Planting medium	10 bags/ jerib	64 per bag	640
One bag of Urea compound	3 bags/ jerib (50 kg each)	562 per bag	1,686
Water irrigation payment	Flat fee	1200 per month	1,200
<b>TOTAL MATERIALS</b>			<b>3,846</b>

Labor			
Farmer	6 days / week x 4	400 per day	9,600
Farmer's wife	4 days / week x 4	400 per day	6,400
Other worker	6 days / week x 4	325 per day	7,800
<b>TOTAL LABOR</b>			<b>23,800</b>

	Teacher's Session Notes
Session Number	5.2 Marketing and Finance
Session Content	<i>Exercise: Pricing Products</i> <i>Exercise: Preparing a Marketing Budget</i> <i>Team Exercise: Designing a Marketing Poster</i>
Goal(s)	2. Business Skills; 4. Application
Objectives	<i>At the end of this session, students will be able to:</i> <ul style="list-style-type: none"> <li>• Recognize factors involved in setting prices</li> <li>• Perform mathematical computations related to marketing</li> <li>• Create promotional materials for a given product</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	<i>See Teacher Appendix 1</i>

Sequence	Time 
<u>Step 1: Review Last Class</u> <ul style="list-style-type: none"> <li>• Ask students to scan the exercises in 5.1.</li> <li>• Remind them of types of direct and indirect costs.</li> <li>• Ask someone to give an example.</li> <li>• Remind them of fixed and variable costs.</li> <li>• Ask someone to give an example.</li> <li>• Ask if anyone has any questions.</li> </ul>	5 min
<u>Step 2: Introduce Exercise 5.2.A: Pricing (Small Groups)</u> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 5.2.A in their books.</li> <li>• There are no activities associated with this exercise.</li> <li>• Teachers can ask students to read the narrative information.</li> </ul>	45 min

Sequence	Time
<p>(continued)</p> <ul style="list-style-type: none"> <li>Using the board or flip chart, teachers should calculate the direct and indirect costs as shown in the exercise, making sure students are seeing the logic of the calculations. <ul style="list-style-type: none"> <li>◇ <i>“Do these costs seem realistic to you? What other costs might be typical for this business?”</i></li> <li>◇ <i>How likely is it that the Table Maker will be able to sell all of his products every month? (Unlikely) What can he do? (Cut costs, sell other items, hire a worker to increase production, advertise more)</i></li> </ul> </li> <li>Ask students to answer Question 1 (Answer: 1563). <ul style="list-style-type: none"> <li>◇ <i>Is this a reasonable price for a table? Will the Table Maker be able to find customers willing to pay this price? Should he have a higher or lower margin? Why?</i></li> <li>◇ <i>If he has a relatively high margin, then each table is earning more profit, so this will help him out during times when table sales are low or expenses are high. Also, he will be able to offer a discount, and still make some profit.</i></li> <li>◇ <i>Look at the three factors affecting price – how might these factors affect the price of the table?</i></li> </ul> </li> <li>Still in a large group, tell students to look at the chart for Question 2. Help them understand the progression from farmer (at bottom) to customer (at top) – noting how the price changes in the far right column.</li> <li>For Questions 3-5, students can work in small groups.</li> <li>Return to the large group to summarize responses, using the answers provided in the Teacher Manual.</li> </ul>	
<p><u>Step 3: Introduce Exercise 5.2.B and Team Assignment (part 1)</u></p> <ul style="list-style-type: none"> <li>Ask students to turn to Exercise 5.2.B.</li> <li>Instruct the Teams to work together to address the questions and activities listed there.</li> <li>Walk around to make sure students stay focused.</li> <li>When they have completed the exercise, they can move on to the Team Assignment.</li> </ul>	35 min
<p><u>Step 4: End Session</u></p> <ul style="list-style-type: none"> <li>Announce that the class has now completed Section 5 of the course. Students can color in the fifth circle on their tree (using pencils or colored markers, as available).</li> <li>Remind students of time and day for next class.</li> </ul>	5 min



## 5.2.A

## Pricing Products

Once a business owner has estimated costs, and has learned more about the target customers as well as the competition, it is then time to think about what pricing level is the most appropriate. Let's return to the example of the carpenter making tables.

Monthly Direct Costs (for materials and labor) =	36,432
<u>+Other Monthly Costs (summarized below) =</u>	<u>13,600</u>
Total Monthly Costs	50,032

Summary of Other Monthly Cost Items	Amount (Afs)
Rent	1,000
Electricity (fuel for generator(s))	800
Cell Phone	1,500
Food bill for the owner's family	9,000
School supplies for owner's children	300
Other expenses	1,000
TOTAL	13,600

The Carpenter makes 48 chairs in a month. If he sold all of his tables this month, he would need his price per table to be 1,042 just to cover his costs. Divide total monthly costs (50, 032) by the number of tables made in a month (48).

To earn a profit, he would need to charge more for each table. But how much more?

The profit margin for any business depends on several factors:

- Customer demand for the product or service
- Competitor prices
- Other aspects such as product quality, style, and usefulness

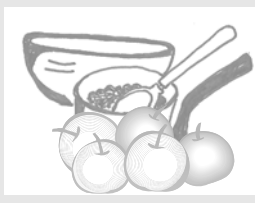
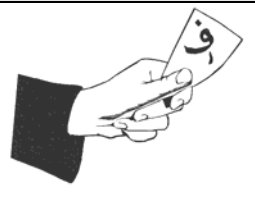
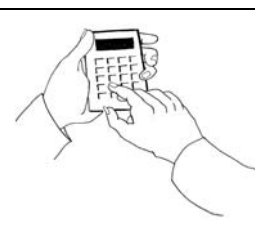
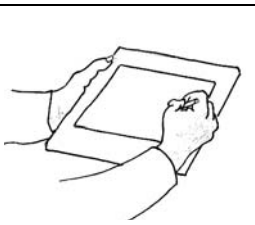
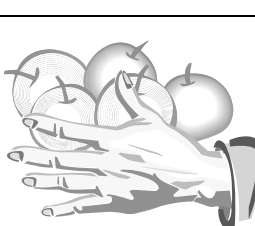
Typically, businesses may add 15% - 100% above the cost of each product to set the final price of the item.

1) If the Carpenter decided to charge his customers Cost + 50%, what would be his final price for each table?

**Answer:**  $1042 + 521 = 1563$

2) The following table shows what can happen when each business owner sets a price that covers their costs. The farmer's original price assumes one kilogram of apples that is harvested and being transported, in this case, to the wholesaler.

*(Start at the bottom of the table and read up)*

	Sellers and Buyers in the Chain	Summary of Cost Elements per Unit (1 kg of apples)	Sample Formula	Sample Pricing (Afs)
	4. Customer ↑	The customer has no costs; and pays the approximate retail price		103
	3. Retailer ↑	Sales Personnel Merchandising Advertising Packaging Storage	Wholesale Price $\times 2$ <b>Retail Price</b>	51.6 $\times 2$ 103.2
	2. Wholesaler ↑	Transport Fees Warehouse Shipping Packaging Marketing	Producer Price $\times 3$ <b>Wholesale Price</b>	17.2 $\times 3$ 51.6
	1. Farmer/Producer	Materials Labor Indirect Costs Profit Margin	Materials Labor Indirect Costs (%) $+ \text{Profit Margin } (\%)$ <b>Producer Price</b>	7.5 5.0 2.5 $2.2$ 17.2

a) Referring to the chart above, if the Retailer offers a 10% discount to the customer, what would the customer pay?

**Answer:**  $103 - 10.3 = 92.9$  or 93

b) What if the apple farmer sold his products directly to customers? Discuss the extra costs he might incur and the impact on the final price.

**Answer:** Extra costs: transportation charges, market stall fees, packaging costs. Plus time at the market instead of on the farm. Still, his prices likely will be less than retail.



3) To earn extra income, one business owner uses his truck to provide transportation services to local farmers during the harvest season. The business owner has decided to charge 1200 Afs per hour. This price was calculated to include his time, as well as the costs of fuel and oil.



a) Three farmers hire the truck owner during the harvest season. He works out a schedule with each farmer. Look at the schedule and calculate what he charges to each customer.

- Farmer 1 = 14 hours X 1200 per hour = \_\_\_\_\_
- Farmer 2 = 27 hours X 1200 per hour = \_\_\_\_\_
- Farmer 3 = 40 hours x 1200 (-10% discount) = \_\_\_\_\_

**Answers:**

16,800  
32,400  
43,200

b) Discuss three reasons why the business owner might offer a discount to Farmer 3.

**Answers:** long-term relationship, friendship, negotiation, quantity of hours

4) In your group, talk about the experiences you or your family members have had with regard to prices and discounts in the market place. Have you or someone you know used negotiating skills to ask for a lower price?

5) Earlier, we learned that price is one of the aspects of marketing. Knowing what you just learned about the cost aspects of pricing, discuss some of the advantages and disadvantages of price discounts for the business owner.

**Answer:** Many businesses lower their prices to beat their competitors and make the sale. But, discounts that go too low mean that the seller has lost money (not covered his costs).



5.2.B

## Preparing a Marketing Budget

### Questions and Activities

1) Three students have just completed university. They decide to start a business together. They are discussing what they will need to start advertising their seed company business. Here is a list of what they think they will need in the first month of operations.

<ul style="list-style-type: none"> <li>• Business cards for the three partners.</li> <li>• Plastic Banner in a metal frame 2 x 6 (12 square feet.</li> <li>• 15 posters</li> <li>• Store sign</li> <li>• Market stall rent for 1 day a week (four times in a month)</li> </ul>	<p>Cards: <math>100 \times 3 = 300</math>  Banner: <math>(12 \times 60) + 150 = 870</math>  Posters <math>(600 + 300) = 900</math>  Sign: 800  Market stall <math>(4 \times 500) = 2000</math>  <u>Total = 3700</u></p>
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What would be the total startup marketing budget for the first month?

Marketing Method	Unit	Cost in Afs
Business cards	Per Person, Set of 100	100
Printed store sign	Medium size	800
Posters	10	600
Printed flyers	50 copies, color	4500
Banners	Printing on plastic material	150
	Metal frame per sq. ft.	60
Market stall rent	Per day, can vary by location	500
Bazaar location rent	Per month, varies by location	2,000-10,000
Radio advertisement	Short announcement	325
	Longer announcement	>800
TV advertisement	Short announcement	1,600

3) A retail business in Jalalabad with two partners has set aside 3,000 Afs for marketing for the first month of operations. Using the information above how would you recommend the company allocate the funds? Discuss your answer in your group.

There are many possible answers. Here is one scenario:

- Cards:  $100 \times 2 = 200$
- Banner:  $(10 \text{ square feet} \times 60) + 150 \text{ (printing)} = 750$
- Posters  $(600) = 600$
- Sign: 800
- Radio ads  $(2) = 650$
- Total = 3000

Another scenario might include: Bazaar location rent (2000) + Sign (800) + Business cards (200). Students should aim to stay under 3000, and use a realistic set of methods

## TEAM ASSIGNMENT 5.2 – Marketing Budget

- 1) Discuss appropriate marketing methods for your Team Business.
- 2) Prepare a marketing budget for your Team Business Idea (insert in the space below).
- 3) You can use the above information as a reference guide.



# Section 6: Management

## Teacher's Notes and Instructions

	Teacher's Session Notes
Session Number	6.1 Business Negotiation
Session Content	Exercise: Negotiating in Business Role-playing Game on Negotiating
Goal(s)	3. Other Skills
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Gain practical experience in applying negotiating techniques</li> <li>• Reflect on characteristics of a good negotiator and what constitutes a successful negotiation (e.g., not just winning the best or lowest price).</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper (see advance preparation for game)
Background for Teacher	None

Sequence	Time ⌚
<p><u>Step 1: Introduce Exercise 6.1 (Small Groups)</u></p> <ul style="list-style-type: none"> <li>• Divide students into small groups.</li> <li>• Ask them to turn to Exercise 6.1 in their Workbooks.</li> <li>• Students can take turns reading the information aloud to the others in their group.</li> <li>• Students then can discuss the questions in their group.</li> </ul>	10 min
<p><u>Step 2: Post-exercise Discussion (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Ask students to share their answers to Question 1.</li> <li>• Announce that now students will get practice using negotiating techniques.</li> </ul>	5 min

Sequence	Time
<p><u>Step 3: Introduce Role-Playing Game on Negotiating</u></p> <p><b>ADVANCE PREPARATION</b></p> <p>Cut small pieces of paper (approximately 5x8 cm) to be used for “imaginary money.”</p> <p>Write the following words down on a strip of paper (one phrase per 20x8 cm strip).</p> <ul style="list-style-type: none"> <li>➤ School Notebook</li> <li>➤ Pencils and Erasers</li> <li>➤ Calculators</li> <li>➤ Dictionaries and Textbooks</li> <li>➤ <i>Other (you may choose to add common school supply items. Be sure that the units are ones that could be easily priced by participants. So, for example, instead of one piece of paper, it should be a package of paper.)</i></li> </ul> <p><i>There should be enough items for each Seller (or group of Sellers to have something unique to offer).</i></p> <p>Fold the papers and put them into a container for a drawing.</p> <p><b>START GAME</b></p> <p>1) Ask Students to form pairs. Designate each pair as a Buyer or Seller. Explain that they will now be buying and selling school supplies. Remind them that in addition to getting a fair price, an important objective in business negotiation is to conduct the transaction in a way that preserves a positive relationship. This will enable everyone to do business again. Sellers want to have repeat customers. Buyers want to have open and friendly relations with their suppliers.</p> <p>3) Sellers will each draw a paper from the container to see which item they are selling. Tell them, they will use this paper for their “store sign”. Sellers may need to share items.</p> <p>4) Write the list of items on the board for all to see.</p> <p>5) Allow time for each of the two sides to prepare and confer separately on strategy.</p> <ul style="list-style-type: none"> <li>• Go to each Buyer pair and quietly tell them their budget is 300 Afs. (Don’t let the Sellers know this information.) Tell them to make imaginary money on small pieces of paper.</li> <li>• Go to each Seller pair and tell them they have lots of competitors in the same town who offer the same items (don’t let the Buyers know this information).</li> </ul>	<p>45 min</p>

Sequence	Time
<p>6) Ask each Seller pair to spread out around the room and put up their “store signs.” Announce that stores are open for business. Each Buyer pair can approach a different Seller pair.</p> <p>7) Ensure negotiations don’t get too lengthy or heated; remind students that the day is passing and they have lots of shopping to do (or customers to attend to). Time pressures can influence the outcome of negotiations.</p> <p>8) At least fifteen minutes before the end of the session, ask everyone to stop. Ask Buyers to report the items purchased and the total amount spent. Allow Sellers to report their incomes. Ask whether any other concessions besides money were made (e.g., services, delivery, coupons).</p>	
<p><u>Step 4: Post Activity Discussion</u></p> <ul style="list-style-type: none"> <li>Ask for reactions to the game. Ask if students gained insights on negotiating techniques.</li> <li>◇ <i>If you had more time, would you perhaps have had a different outcome? In the real world, how can pressures of time affect business negotiations for both sides?</i></li> <li>◇ <i>What if the Sellers had known how much money the Buyers had available? Would that have changed things? Typically, do business owners know how much money their customers have?</i></li> <li>◇ <i>Did anyone face problems in preserving the relationship for future transactions?</i></li> </ul>	10 min
<p><u>Step 5: Team Assignment</u></p> <ul style="list-style-type: none"> <li>Ask Teams to turn to Team Assignment 6.1.</li> <li>Walk around and ensure they are using the insights they just gained from the role-play to determine which negotiating styles are the most suitable for their team and business idea.</li> </ul> <p><i>Note: Teachers may choose to skip the Team Assignment and repeat part of the negotiating role-play. Often, students learn even more how to apply new skills with a second opportunity.</i></p>	15 min
<p><u>Step 6: End the Session</u></p> <ul style="list-style-type: none"> <li>Ask if students have any questions.</li> <li>Remind students of time and day for next class.</li> </ul>	5 min



# Negotiating in Business

## 6.1

Business owners negotiate frequently, with customers, suppliers, and employees. Although the most typical business negotiation is about money, people negotiate all kinds of things, including work schedules, services, benefits, delivery terms, and in-kind exchanges. Good negotiators remember that the ultimate power of negotiating is in compromise, and finding a solution that works for all parties.

## Negotiating Price

Advance Preparation	Making the Deal
<ul style="list-style-type: none"> <li>• Set goals and organize thoughts.</li> <li>• Decide what the best deal for you would be.</li> <li>• Determine the minimum <u>you</u> are willing to accept and the maximum you can offer.</li> <li>• Imagine the viewpoint of the other person. Estimate <u>his/her</u> likely minimum and maximum terms, as well as likely negotiating tactics.</li> <li>• But don't assume you already know the other person's negotiating position. Expect to stay flexible and listen for new opportunities to emerge other than the ones you expected.</li> <li>• Consider the other items that are part of the negotiation such as timing and terms of delivery. These points can also be worth a lot.</li> </ul>	<ul style="list-style-type: none"> <li>• Let the other person identify a price first to reveal his or her position. If there is no offer, offer an extreme amount (high or low) to get a reaction.</li> <li>• Be willing to compromise, including on other things besides price. Decide in advance what you can afford to give up.</li> <li>• Always ask for something better than what is offered.</li> <li>• Resist the temptation to "win" completely and leave the other person with nothing. This is not a healthy outcome for most business situations.</li> <li>• TIP: Silence is powerful in negotiating. Not responding to an offer right away often compels the person to make another offer to fill the void.</li> </ul>



# Negotiating in Business

## Questions and Activities

- 1) In your group, identify some examples from your own negotiating experience. Can you pinpoint any of the above techniques being used during those examples?

Answers will vary. Students should be as specific as possible in their examples, and reference techniques on the previous page.

- 2) In your opinion, do men and women negotiate differently? What are some special considerations for women who need to negotiate in a business context? Discuss your answers in your group

Answers will vary. It is hard to make general statements, as cultural and individual styles differ. In many cultures, men spend more time outside the home, and thus may have more experience negotiating. Women may be experienced, tough negotiators when making purchases for the home and family.

- 3) Who is someone (man or woman) whom you consider a good negotiator? What characteristics do you admire about that person's negotiating style? For example, they are well prepared, cool under pressure, good at bluffing, patient, and so on. Discuss your answers in your group.

Answers will vary. Students should be as specific as possible in their examples, and reference techniques on the previous page.

### TEAM ASSIGNMENT 6.1:

- In your Team, discuss who among you has the strongest negotiating skills. In other words, who in your team would be the best to negotiate with customers and suppliers for your Team Business and why?
- Make a list of negotiating styles and techniques you and your Team most admire and/or would like to develop further.

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	Teacher's Session Notes
Session Number	6.2 Taking Responsibility in Business
Session Content	Exercise: Managing Roles and Responsibilities Exercise: Business Ethics
Goal(s)	1. Knowledge, Awareness; 2: Business Skills: 4: Application
Objectives	At the end of this session, students will be able to: <ul style="list-style-type: none"> <li>Identify key roles in business</li> <li>Discuss ethical practices and considerations in business</li> <li>Identify a typical organizational chart</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	See Teacher Appendix 1

Sequence	Time 
<u>Step 1: Review Last Class</u> <ul style="list-style-type: none"> <li>Ask students to scan the exercises in 6.1.</li> <li>Remind them of their activity concerning business negotiation.</li> <li>Ask someone to give an example of a good negotiating technique.</li> <li>Ask if anyone has any questions.</li> </ul>	5 min
<u>Step 2: Introduce Exercise 6.2.A (Large Groups)</u> <ul style="list-style-type: none"> <li>Ask students to turn to Exercise 6.2 in their books.</li> <li>Students should take turns reading the information on the first page aloud to the others in class.</li> <li>When they finish reading, ask if anyone has any questions.</li> </ul>	15 min

Sequence	Time
<p><u>Step 3: Introduce Team Assignment</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Team Assignment 6.2.</li> <li>• Instruct the Teams to work together to address the questions and activities listed there.</li> <li>• Walk around to make sure students stay focused.</li> </ul>	20 min
<p><u>Step 4: Introduce Business Ethics Exercise (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 6.2.B.</li> <li>• Students should take turns reading the information on the first page aloud to others in class. <ul style="list-style-type: none"> <li>◇ <i>Can you think of a quick real-life example of one of these types of practices mentioned?"</i></li> </ul> </li> <li>• Announce that they will now consider some scenarios involving questions of Business Ethics.</li> <li>• Select two students to perform Dialogue 1. They should come to the front of the class and read from the Teacher Manual (see following pages). <i>(Note: These pages are not in the Student Workbook)</i></li> <li>• After the students have read the dialogue, the Teacher will ask all students to comment on the scenario. <ul style="list-style-type: none"> <li>◇ <i>"Do you think this type of thing really happens?"</i></li> <li>◇ <i>"What should the business owner(s) do?"</i></li> <li>◇ <i>"In this instance is it easy to do the right thing? Why or why not?"</i></li> </ul> </li> <li>• Now proceed in similar fashion to the other dialogues – choosing two students (different pair each time) to perform the dialogue in front of the full class. Then follow up with questions similar to those listed above. <i>(NOTE: See information for Teachers on next page)</i></li> <li>• To conclude this exercise, write the following questions on the board. <ul style="list-style-type: none"> <li>○ What kind of business person would you like to be?</li> <li>○ What do you want others to say?</li> </ul> <i>Sample words might include: Honest, Reliable, Fair, Respectful and Responsible</i> </li> <li>• Ask students to discuss these questions with the person next to them and make a list in their books.</li> </ul>	40 min
<p><u>Step 5: End Session</u></p> <ul style="list-style-type: none"> <li>• Ask if anyone has any questions about the day's exercises.</li> <li>• Announce that the class has now completed Section 6 of the course. Students can color in the sixth circle on their tree (using pencils or colored markers, as available).</li> <li>• Remind students of time and day for next class.</li> </ul>	5 min

Points to Bring out in Ethics Discussion with Large Group	
<p><u>Dialogue 1</u></p> <ul style="list-style-type: none"> <li>The issue here is whether to save money or continue to provide high quality products to the customers. An even more basic issue is honesty – letting the customer know that the product quality has changed. Possible solutions include:             <ul style="list-style-type: none"> <li>Go back to the existing supplier and try to negotiate a lower price.</li> <li>Accept the new supplier's products, but price accordingly, and let the customer know about the change.</li> <li>Offer both products at differing prices, and let the customers know. They then can make informed choices about what they prefer.</li> </ul> </li> </ul> <p><u>Dialogue 2</u></p> <ul style="list-style-type: none"> <li>Business owners should be prepared to take responsibility for their business – even when there is an error.</li> <li>Since the customer has noted the problem, the business owner should take steps to satisfy the customer. Depending on the size of the error, the business owner might choose from among the following actions:             <ul style="list-style-type: none"> <li>Giving the discount that was noted in the advertisement.</li> <li>Offering a free sample or coupon on a future purchase.</li> <li>Paying the customer's transportation costs (e.g., bus ticket).</li> </ul> </li> </ul> <p><u>Dialogue 3</u></p> <ul style="list-style-type: none"> <li>As with Dialogue 1, the issue is honesty in front of the customer. But, now, with food products, this has implications for the health of the end user. Possible solutions include:             <ul style="list-style-type: none"> <li>Immediately separating those animals from the others.</li> <li>Calling a veterinarian and getting help for the animals – and learning the prospects for restoring their health.</li> </ul> </li> </ul> <p><u>Dialogue 4</u></p> <ul style="list-style-type: none"> <li>Here is an issue where short-term benefits to the owner may mean long-term environmental damage. At the very least, the owners should capture the oil leaking from the truck in a container (to keep it from being absorbed in the ground).</li> </ul>	



6.2.A

## Management Roles and Responsibilities

*Note: Refer to the list of Responsibilities in a Business for Exercise 1.2.B.*

When a business has only one owner, that person is responsible for all tasks. When there are several owners – or owners and employees – the process of determining who will be responsible for which tasks in the business gets complicated.

Of course, some people have talents in a particular area. For example, one partner may be better at accounting and record-keeping; another enjoys customer relations.

Most people who work for a business not only have assigned responsibilities, they also have a title. The following are some titles of typical business positions.

**President:** Makes decisions, hires people; is in charge of planning the business and of allocating resources.

**Vice President:** Can make decisions when the president is ill or out of town; may also take the lead role on other responsibilities, such as customer relations and marketing.

**Marketing Manager:** In charge of finding customers and selling opportunities. Also handles advertising and marketing materials.

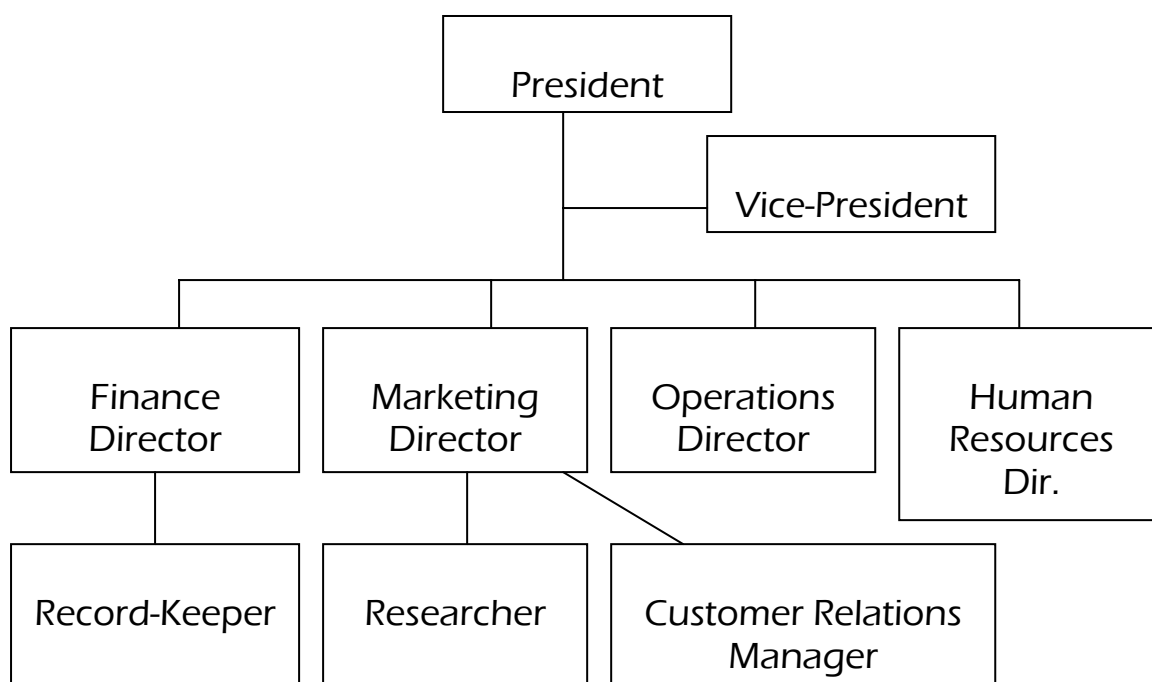
**Finance Manager:** Handles money and keeps track of income and expenses.

**Operations Manager:** Oversees production of products. Ensures the proper equipment and people are in place to accomplish work goals.

## TEAM ASSIGNMENT 6.2

1) Each person in the team should look back to their answers to Exercise 2.2.A (What it Takes to Be a Business Owner) to remind themselves of their strengths and preferences. Also, refer to Business Negotiation to recall who on your team has good negotiating skills.

2) Most organizations devise a chart that shows owners, managers, and employees. Complete the organizational chart below to designate which team members are responsible for various tasks (each team member will have several responsibilities).



3) Turn to the Management Plan of the Business Plan Template. In your team, take a few moments to discuss how to complete this section, determining what each person will do for the company.



6.2.B

## Business Ethics

Most business owners conduct their business in an honest and ethical manner. Of course, often there are laws or religious reasons that keep people honest. For another thing, business owners know that customer loyalty is the key to long-term business success, so they want to treat customers fairly. Good ethics can be good for business

A company's most valuable asset is its reputation. But some, seeking short-term gain without regard to the long-term consequences, make questionable or even illegal choices. The following are some types of unethical business practices:

- **Marketing Practices**
  - False or misleading advertising
  - Undermining competitors by saying untrue things about them
- **Environmental practices**
  - Polluting the water, land, or air in a way that can harm the environment and/or others
- **Business practices**
  - Short-changing funds to customers or suppliers
  - Offering poor quality or unsafe products

# Business Ethics

## Dialogue Workcard

### 1) Dialogue 1 – Purchasing

*Partner 1:* Someone came in our store today and offered to sell us products for much less than our current supplier?

*Partner 2:* That sounds wonderful – we need to keep our costs low.

*Partner 1:* Yes, we can lower our costs, and keep the prices the same – that will make our profits higher.

*Partner 2:* Are these products exactly the same as those offered by our current supplier?

*Partner 1:* Well, no. These products are made from lower quality materials than our current ones. But perhaps our customers won't notice the difference.

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### 2) Dialogue 2 – Advertising

*Buyer:* Excuse me, your advertisement said you were selling these items for a discount this week. But you just charged me the full price.

*Seller:* Oh, that was a mistake made by the printer. Actually those other products over there have a discount.

*Buyer:* But your advertisement specified these products. I don't want those over there. I traveled here especially to take advantage of your sale offer.

*Seller:* I apologize for the printer's mistake, but there's nothing I can do.



### 3) Dialogue 3 – Selling

*Farm Worker:* Boss, I noticed that some of the animals in the pasture look like they may be getting sick. What should we do?

*Farm Owner:* I can't afford any losses right now. Let's make sure we take those animals to the market tomorrow and sell them before the animals get any worse.

### 4) Dialogue 4 – Environmental Pollution

Partner 1: This morning I noticed the truck is leaking oil. There was a large pool of it on the ground.

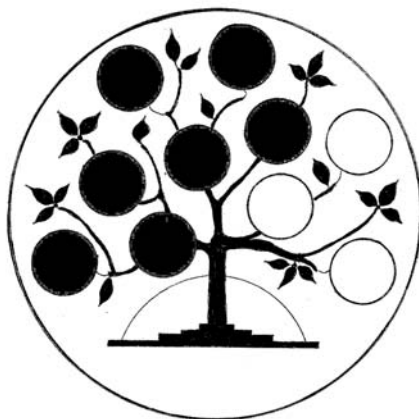
Partner 2: That's not good. Did you try to repair it?

Partner 1: Yes, but I think we need a new part. It is going to be expensive.

Partner 2: Well, we can't afford any major expenses until the harvest time.

Partner 1: If we don't get it fixed, we'll need to buy more oil to keep the truck in operation. That is going to cost money, too.

Partner 2: It is cheaper to buy more oil than it will be to repair the leak. Let's put off solving the problem for a few more months.



# Section 7: Taking Responsibility In Business

## Teacher's Notes and Instructions

	Teacher's Session Notes
Session Number	7.1 Managing Production
Session Content	Exercise: Managing Production and Work Flow Exercise: Planning Operations
Goal(s)	2. Business Skills
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Complete sample production schedule</li> <li>• Identify types of production plans for various types of business (agribusiness, retail, service, production)</li> <li>• Identify operational cycles in their Team business</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	See Teacher Appendix 1

Sequence	Time ⌚
<p><u>Step 1: Review Last Class</u></p> <ul style="list-style-type: none"> <li>• Ask students to scan the exercises in 6.2.</li> <li>• Remind them of the discussion of roles and responsibilities.</li> <li>• Ask 2-3 people to tell everyone their job title in their Team Business and why they are a good fit.</li> <li>• Remind them of the Ethics discussion.</li> <li>• Ask if anyone has any questions.</li> </ul>	5 min

Sequence	Time
<u>Step 2: Introduce Exercise 7.1.A (Small Groups)</u> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 7.1 in their books.</li> <li>• Divide students into small groups or their Teams.</li> <li>• Students can take turns reading the information on the first page aloud to the others in their group.</li> <li>• Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>• Walk around and ensure that students are on track.</li> </ul>	20 min
<u>Step 3: Post-exercise Discussion (Large Group)</u> <ul style="list-style-type: none"> <li>• Referring to answers in the Teacher Manual, lead students through discussion of the answers to Questions 1-3.</li> <li>• For Question 1, it is helpful to write the new sequence on the board or flip chart.</li> </ul>	15 min
<u>Step 4: Introduce Team Assignment</u> <ul style="list-style-type: none"> <li>• Ask students to turn to Team Assignment 7.1 (Operations Plan).</li> <li>• Students can take turns reading aloud the information on the top half of the page.</li> <li>• Instruct the Teams to work together to address the questions and activities listed there.</li> <li>• Walk around to make sure students stay focused.</li> </ul>	30 min
<u>Step 5: Allow Teams to Work on Business Plan</u> <ul style="list-style-type: none"> <li>• Announce that Teams now have time to work on part of their business plan. They can choose a section that they have not previously addressed or that remains incomplete.</li> </ul>	15 min
<u>Step 6: End Session</u> <ul style="list-style-type: none"> <li>• Ask if anyone has any questions about the day's exercises</li> <li>• Remind students of time and day for next class.</li> </ul>	5 min



7.1.A

## Managing Production and Work Flow

*Refer to the Carpenter discussed in 5.1.A.*

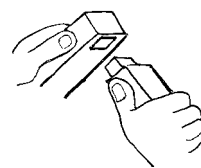
The Carpenter has a certain set of steps involved in making each table. Those steps might include:



- Gathering materials and tools together
- Measuring and cutting the wood
- Assembling the parts
- Carving artistic patterns into the legs
- Varnishing the finished table

Each of the above tasks involves time and expertise. Now imagine that the Table Maker has the entire family working with him, and all are making lots of tables in a day. One option is for each person to make a complete table from start to finish. Another would be for the group to divide up the tasks and develop a specialty (for example, one person specializes in varnishing all tables).

A production plan helps business owners determine the flow of work in the company. The challenge of a good production plan is to ensure that people and tasks line up in the most efficient way possible. For example, if production is not well planned, then the person in charge of varnishing could be sitting around and waiting for others to finish. This can slow down production, costing the company money.



Other types of business also need to plan the flow of work:

- **Agri-businesses** must sequence tasks from planting season all the way to harvest.
- **Retail** and **wholesale** businesses have to ensure they keep the right amount of merchandise in stock.
- Schedules are also important to **service** businesses – the more efficiently they use time, the more clients they can serve.

# Managing Production

## Questions and Activities



1) A family of three persons (Blue, Green, Yellow) operates a housecleaning service business. They have started a work flow (production) plan for when they enter a client's home. But, the tasks are not necessarily in the appropriate order. Suggest a better way to reorder the tasks by putting a number in the right column – first task, second task, and so on. *(There may be more than one way to complete the plan)*

Task Number	Task	Person Responsible	Appropriate Task Order
1	Mop the floors	Blue	4*
2	Sweep the floors	Green	3
3	Remove the trash	Green	5
4	Dust the shelves	Yellow	1
5	Sweep the front entrance	Green	6
6	Clean the kitchen	Yellow	2

\*This is one possible solution. Students should be able to understand this sequence and explain their own choices.

2) Is it possible to do some of these tasks simultaneously? Give two examples.

Yes. Yellow cleans kitchen while Blue mops the floor.  
Yellow dusts the shelves while Green sweeps the floor.

3) Give one example of tasks that must follow each other

Typically, one sweeps and then mops the floor. Also, it is better to dust the shelves and then sweep the floor (as dust can settle on the floor during dusting)

### TEAM ASSIGNMENT 7.1 – Production Plan

1) In your team, take a few moments to list the tasks or steps associated with the daily work flow of your Business idea. Refer to the information you completed for 6.2 about management responsibilities.



7.1.B

## Operations Plan: The Cycles of the Business

*Refer to the exercise on Business Cycles in 2.1*

Related to the Production Plan, a business operations plan specifies the regular patterns of the business. These might include:

<i>Operation Cycle</i>	<i>Possible Example</i>
Hours of operation	The store is open six days per week from 9.00 to 21.00
Purchasing	The farm buys seeds and fertilizer every spring
Payment	The computer consistent service company's bills are paid once a month
Taxes	The seed company pays taxes are paid once a year
Payroll	The wholesaler pays salaries weekly
Receipts	The farmer makes sales once a week at the market

### TEAM ASSIGNMENT 7.1

1) In your team, list the cycles of your Business Idea in the space below. Indicate which items will likely occur on a daily, weekly, monthly or yearly basis. Then, complete the Operations Plan in the Business Plan Template in the back of the Workbook.

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	Teacher's Session Notes
Session Number	7.2 Managing Records and Information
Session Content	Exercise: Keeping Track of Expenses
Goal(s)	2. Business Skills
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Identify types of records commonly used in business</li> <li>• Develop a record keeping vocabulary</li> <li>• Explain the importance of providing accurate information and calculations</li> <li>• Analyze and construct sample records and forms</li> <li>• Create personal/family expense records based on class examples</li> <li>• Identify records needed for team business</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	See Teacher Appendix 1

Sequence	Time 
<p><u>Step 1: Review Last Class</u></p> <ul style="list-style-type: none"> <li>• Ask students to scan the exercises in 7.1.</li> <li>• Ask someone to give an example of a business cycle from their responses to exercises in 7.1.</li> <li>• Ask if anyone has any questions.</li> </ul>	5 min
<p><u>Step 2: Introduce Exercise 7.2 (Small Groups)</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 7.2 in their books.</li> <li>• Students can take turns reading the information on the first page aloud to the others in class. Each person can read a quote.</li> <li>• Show students Question 1, and help them get started with the first answer or two.</li> <li>• Divide students into small groups or their Teams.</li> <li>• Students then can answer the questions in their own Workbooks, while conferring in their group.</li> <li>• Walk around and ensure that students are on track.</li> </ul>	25 min



Sequence	Time
<p><u>Step 3: Post-exercise Discussion (Large Group)</u></p> <ul style="list-style-type: none"> <li>Referring to answers in the Teacher Manual, lead students through discussion of the answers to Questions 1-2.</li> <li>Summarize information on the board or flip chart. <ul style="list-style-type: none"> <li>◇ <i>“Many business owners keep a list of sales in one book and a list of expenses in the other. Do you think this is a good system? Why or why not?”</i></li> <li>◇ <i>“What suggestions do you have for setting up a record-keeping system?”</i></li> </ul> </li> </ul> <p><u>Step 4: Introduce Team Assignment</u></p> <ul style="list-style-type: none"> <li>Ask students to turn to Team Assignment 7.2 Record-Keeping</li> <li>Instruct the Teams to work together to address the questions and activities listed there.</li> <li>Walk around to make sure students stay focused.</li> </ul> <p><u>Step 5: Allow Teams to Work on Marketing Materials</u></p> <ul style="list-style-type: none"> <li>Announce that Teams now have time to work on their marketing materials. They can see Team Assignment 7.2 Marketing Materials for more information.</li> <li>They can use pencils or colored markers, as available.</li> </ul> <p><u>Step 6: End Session</u></p> <ul style="list-style-type: none"> <li>Ask if anyone has any questions about the day’s exercises.</li> <li>Announce that the class has now completed Section 7 of the course. Students can color in the seventh circle on their tree (using pencils or colored markers, as available).</li> <li>Remind students of time and day for next class.</li> </ul>	

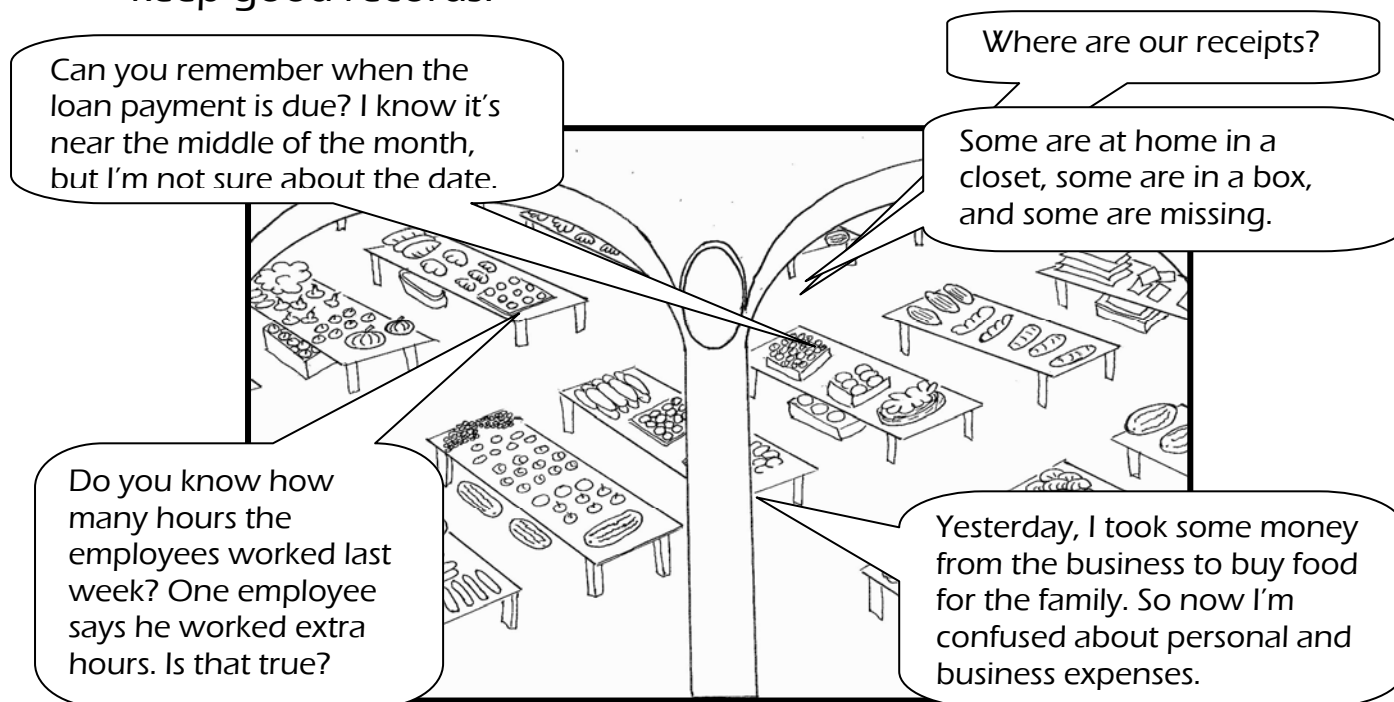


## 7.2

## Record-keeping

Many business owners find it boring to keep track of receipts, bills, and other paperwork. But keeping good records can help save time and money, which is good for business.

Read the following quotes from business owners who do not keep good records.



Business owners should set up a record-keeping system that has some or all of the following features:

- Dates on all receipts, bills, and other important documents.
- A set of categories for each transaction (e.g., Rent, Food, Materials).
- Monthly timesheets to track hours worked.
- A note on each item as to whether the expense is Personal or Business.
- Special (separate) containers for expenses and receipts (income) and another container for Personal (or Family) expenses.

Even the most basic attempt to keep records can help improve business operations and help reduce stress levels.

# Keeping Records

## Questions and Activities

1) This is a list of expenses for a business that sells wool sweaters. Please help complete the notations by filling in the blanks below.

Date	Purchase Item	Category	Expense Type	Amount (Afs)
1 Nov	Rent for Home	Rent	Personal	1800
7 Nov	Bus Ticket to Central Market to sell goods	Transportation	Business	500
7 Nov	Food for family	Food	Personal	200
9 Nov	Wool	Materials	Business	4500
14 Nov	Bus Ticket to Central Market	Transportation	Business	500
15 Nov	Food for family	Food	Personal	2200
15 Nov	Rent for Workspace	Rent	Business	3000
17 Nov	Electricity for Workspace	Utilities	Business	600
18 Nov	Shipment of Wool	Materials	Business	3200
19 Nov	Food for family	Food	Personal	2100
20 Nov	Bus Ticket to Central Market	Transportation	Business	500
20 Nov	Wood for Work heating stove	Utilities	Business	900
21 Nov	Bus Ticket to Farmers' Market to buy food	Transportation	Business	400
21 Nov	Food for family	Food	Personal	2000
21 Nov	Food for family	Utilities	Personal	700
25 Nov	Wood for home stove		Personal	700
28 Nov	Bus Ticket to Central Market	Transportation	Business	500
TOTAL				23,600

2) Using the information above, help the company with its monthly expense summary

### Monthly Expense Report

Category	Business Expenses	Personal Expenses
Rent	3000	1800
Utilities	1500	700
Materials/supplies	7700	0
Transportation	2000	400
Food	0	8300
TOTALS	14,200	11,200

3) List some of your own personal or family expenses for a typical month in the first column below. You do not have to recall exact dates.

<u>Expense Item</u>	<u>Category</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

4) For the items above, indicate categories for each expense in the second column above – keep your set of categories consistent.

TEAM ASSIGNMENT 7.2 – Keeping Records
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1) In your team, discuss how you might organize and keep important company records.

TEAM ASSIGNMENT 7.2 – Marketing Materials
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1) Teams should complete the marketing poster they started earlier. They also can design other marketing materials for their business, including business cards, advertisement, company logo (or symbol) and a business sign.



# Section 8:

## Budgeting/ Cash Flow

### Teacher's Notes and Instructions

	Teacher's Session Notes
Session Number	8.1 Setting up a Cash Flow Statement
Session Content	Exercise: Introduction to Cash Flow
Goal(s)	1. Knowledge, Awareness
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Define a cash flow statement</li> <li>• Develop a preliminary budget</li> <li>• Discuss budget and cash flow inputs for the team business</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	See Teacher Appendix 1

Sequence	Time ⌚
<p><u>Step 1: Review Last Class</u></p> <ul style="list-style-type: none"> <li>• Ask students to scan the exercises in 7.2.</li> <li>• Ask someone to give an example of good record-keeping.</li> <li>• Ask if anyone has any questions.</li> </ul>	5 min
<p><u>Step 2: Introduce Exercise 8.1 Cash Flow (Small Groups)</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 8.1 in their books.</li> <li>• Students should take turns reading the information on the first page aloud to the others in class. At the end of the first page, ask: <ul style="list-style-type: none"> <li>◇ So, what is the Ending Cash Balance for Month 4? (Answer: 150)</li> <li>◇ What would be the Beginning Cash Balance for Month 5? (answer : same as above)</li> <li>◇ In which month did the business lose money (Answer: Month 3)</li> <li>◇ How do we know that? (Answer: the negative number at the end of the month)</li> </ul> </li> </ul>	30 min

Sequence	Time
<ul style="list-style-type: none"> <li>• Again, divide students into small groups or their Teams.</li> <li>• Students then can answer the questions for 8.1 in their own Workbooks, while conferring in their group.</li> <li>• Walk around and ensure that students are on track.</li> </ul> <p><u>Step 3: Post-exercise Discussion (Large Group)</u></p> <ul style="list-style-type: none"> <li>• Referring to answers in the Teacher Manual, lead students through discussion of the answers to Questions 1.</li> <li>• Draw the chart on the board, and ask the students to help you fill in the cost items. <ul style="list-style-type: none"> <li>◇ <i>“Does it help a business owner to organize income and expenses in this way? How is it helpful, in your opinion?”</i></li> <li>◇ <i>What if the owner’s truck needed a repair this month, and it cost 2000 Afs – would the owner be able to afford it? (No). What should he do? (Borrow the money; negotiate a discount; ask to make payments over time).</i></li> </ul> </li> </ul> <p><u>Step 4: Introduce Team Assignment</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Team Assignment 8.1.</li> <li>• Instruct the Teams to work together to address the questions and activities listed there.</li> <li>• Walk around to make sure students stay focused.</li> </ul> <p><u>Step 5: End Session</u></p> <ul style="list-style-type: none"> <li>• Ask if anyone has any questions about the day’s exercises.</li> <li>• Remind students of time and day for next class.</li> </ul>	<p>20 min</p> <p>30 min</p>



# Budgeting and Cash Flow

## 8.1

As part of business planning, business owners put together a budget – estimating what their income and expenses will be for a typical month. In reality, each month's sales and expenses can be different. For example, some businesses sell more in some months than in others. They are called **seasonal**

businesses. Can you think of examples?

**Possible Answers:** Farms, livestock, winter clothing, and businesses that are extra busy during Ramadan or Eid holidays

Business expenses can also vary from month to month. Equipment may need repair, or there may be a special marketing event, such as a trade show.

In fact, sometimes business owners spend more in a month than they receive in income. This means that they may not have enough cash to cover all their expenses. A **cash flow statement** can help businesses see trends in their finances, and plan for the future.

Let's see an example. Suppose you start a business with 100. In the first month, you make 2500 in sales, and you spend 2250 on expenses. Your cash flow for Month 1 would be:

	Month 1
Beginning Cash	100
Money In (income)	2500
Money Out (expenses)	2250
Ending Cash (Beginning + In) - Out	750

The power of a cash flow statement is to see what happens over several months:

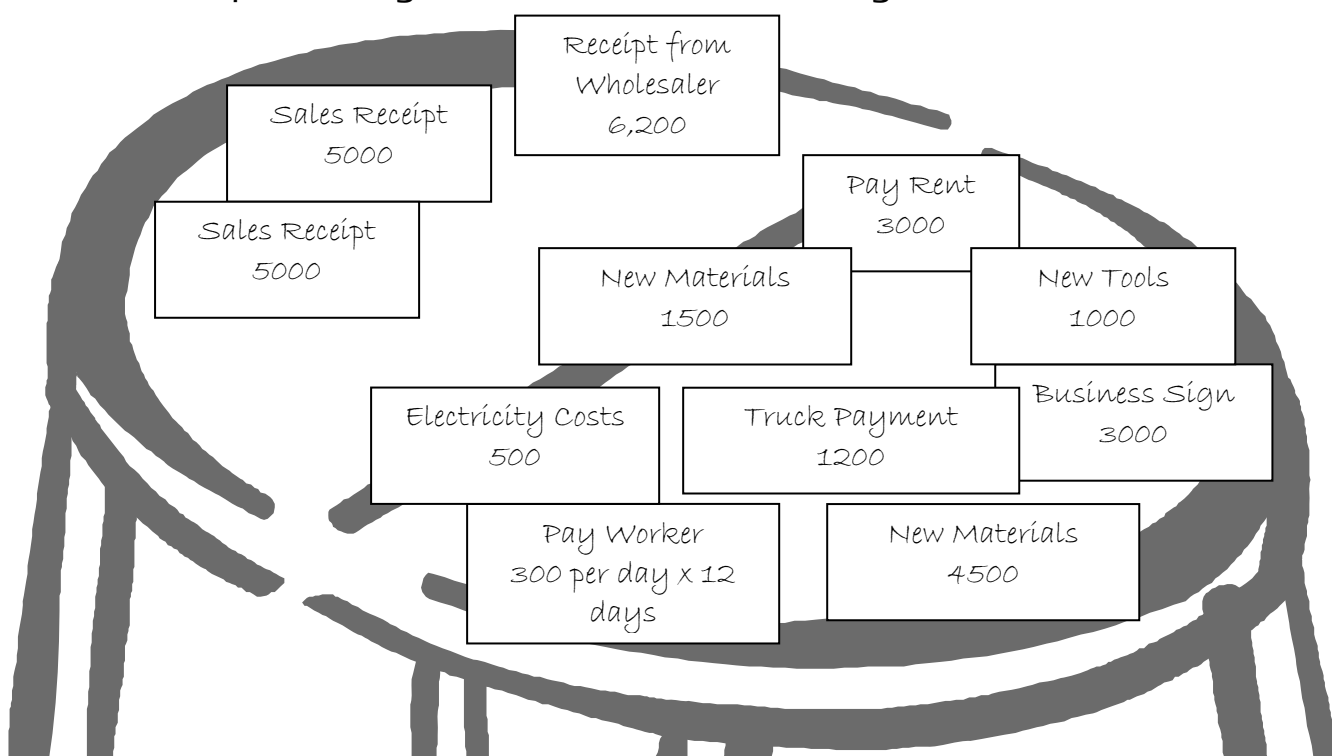
	Month 1	Month 2	Month 3	Month 4
Beginning Cash	100	350	250	-100
Money In	2500	2500	2850	2500
Money Out	2250	2600	3200	2250
Ending Cash	350	250	-100	150



# Budgeting and Cash Flow

## Questions and Activities

1) On the tabletop below are some records for one family business. They have started to organize their paper work. They know they started the month with 4,000, but don't have a clear picture of what happened after that. Help them organize their information using the chart below.



### Monthly Income and Expenses

	This Month
Beginning Cash	4,000
Total Sales This Month	<u>16,200</u>
<b>TOTAL Cash Available</b>	<b>20,200</b>
Expenses	3,600
Labor	6,000
Materials	3,000
Rent	500
Electricity	1,000
Equipment	3,000
Marketing	<u>1,200</u>
Transportation	<b>18,300</b>
<b>TOTAL Expenses</b>	
Cash at End of Month	1,900

TEAM ASSIGNMENT 8.1
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1) In which month are you likely to be able to start your business?

Based on your knowledge and experience, will the first month have normal sales potential, or will it be higher or lower? Discuss reasons for your choice.

2) Discuss in your team whether your Team Business Idea has any seasonal aspects that might mean fluctuations in income and expenses. Using the chart below, make a check mark for months with expected normal, higher, or lower sales and income. Do the same for expenses.


Month	Normal Income	Higher Income	Lower Income		Normal Expenses	Higher Expenses	Lower Expenses
January							
February							
March							
April							
May							
June							
July							
August							
September							
October							
November							
December							

3) Given the information above, discuss in your group what would be an appropriate average figure for expected income your first month?

4) Regarding expenses, use the chart below to calculate the first month expenses of your new business.

Expense Category	Average Amount per Month
Rent	
Utilities	
Materials/supplies	
Labor	
Marketing	
Transportation	
Equipment	
TOTAL Expenses	

	Teacher's Session Notes
Session Number	8.2 Using a Cash Flow Statement
Session Content	Exercise: Using a Cash Flow Statement
Goal(s)	2. Business Skills; 4. Application
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>Analyze cash flow information in an example</li> <li>Perform cash flow calculations</li> <li>Develop a preliminary cash flow statement for the team business</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	See Teacher Appendix 1

Sequence	Time 
<p><u>Step 1: Review Last Class</u></p> <ul style="list-style-type: none"> <li>Ask students to scan the exercises in 8.1.</li> <li>Remind them of the definition of a cash flow statement (shows the flow of money in and out of the business over time).</li> <li>Ask someone to give an example of a cost that typically stays the same every month (rent); an example of a cost that might change (transportation, materials).</li> </ul>	5 min
<p><u>Step 2: Introduce Exercise 8.2: (Small Groups)</u></p> <ul style="list-style-type: none"> <li>As a reminder, ask students to turn to Exercise 8.1 from last class. They will be using the business in Question 1 to continue to address the subject of cash flow.</li> <li>Ask students to turn to Exercise 8.2 in their books.</li> <li>Divide students into small groups or their Teams.</li> <li>Students then should answer the questions in their own Workbooks, while conferring in their group.</li> <li>Walk around and ensure that students are on track.</li> </ul> <p><i>Note: This exercise can be challenging for some students. Feel free to share the answers from the Teacher Manual, to help get them started.</i></p>	30 min

Sequence	Time
<p><u>Step 3: Post-exercise Discussion (Large Group)</u></p> <ul style="list-style-type: none"> <li>Referring to answers in the Teacher Manual, lead students through discussion of the answers to Questions 1.</li> <li>Draw the chart on the board, and ask the students to help you fill in the cost items. <ul style="list-style-type: none"> <li>◇ <i>“A cash flow statement can help businesses look back at past trends. Why might this be helpful to business owners? (Possible answers: Track expenses; Identify ways to cut costs; share information with investors, lenders).”</i></li> <li>◇ <i>A cash flow statement also helps business owners plan for the future, by allowing them to try out different scenarios. Why might this be helpful? (Possible answer: plan for future growth, new purchases; share information to apply for a loan or attract investors).</i></li> <li>◇ <i>There are computer programs that help business owners with creating their cash flow statements, making it faster and easier to make changes to the document. Hand calculations like the ones we are doing here in class, can take longer, but are just as effective.”</i></li> </ul> </li> </ul>	20 min
<p><u>Step 4: Introduce Team Assignment</u></p> <ul style="list-style-type: none"> <li>Ask students to turn to Team Assignment 8.2.</li> <li>Instruct the Teams to work together to address the questions and activities listed there.</li> <li>Walk around to make sure students stay focused.</li> </ul>	30 min
<p><u>Step 5: End Session</u></p> <ul style="list-style-type: none"> <li>Ask if anyone has any questions about the day’s exercises.</li> <li>Announce that the class has now completed Section 8 of the course. Students can color in the eighth circle on their tree (using pencils or colored markers, as available).</li> <li>Remind students of time and day for next class.</li> </ul>	5 min



8.2

## Using a Cash Flow Statement

### Questions and Activities

1) Referring to the example from the last class, help the same family business predict what will happen for six months based on This Month's information. Keep in mind the following facts:

- This Month is the only time the business will need to buy a sign;
- Electricity is usually the same every month;
- Rent is expected to increase to 3200 starting in Month 5;
- The family buys new tools (for the same amount) This Month and in Month 3. But a tool needs new parts in Months 4 and 6 (at 450 for each repair);
- The final payment for the truck is Next Month, but there will be repairs of 3500 in Months 4 and 6;
- The family will attend a trade show in Month 4, which will cost 2500; but they predict an extra 8500 in sales at that event. Labor in Month 4 will increase to 15 days (Labor rate is 300 per day). And they will need 3,000 in extra materials;
- Otherwise, sales are the same as This Month for every month – except Month 6 when, because of bad weather, they will drop to 12,000.

	This Month	Next Month	Month 2	Month 3	Month 4	Month 5	Month 6
Beginning Cash	4000	1,900	3,800	5,900	7,150	10,050	
Total Sales This Month	16,200	<u>16,200</u>	<u>16,200</u>	<u>24,700</u>	<u>16,200</u>	<u>12,000</u>	
<b>TOTAL Cash Available</b>	<b>20,200</b>	<b>18,100</b>	<b>20,000</b>	<b>30,600</b>	<b>23,350</b>	<b>22,050</b>	
Expenses							
Labor	3,600	3,600	3,600	4,500	3,600	3,600	
Materials	6,000	6,000	6,000	9,000	6,000	6,000	
Rent	3,000	3,000	3,000	3,000	3,200	3,200	
Electricity	500	500	500	500	500	500	
Equipment	1,000	0	1,000	450	0	450	
Marketing	3,000	0	0	2,500	3,000	3,000	
Transportation	1,200	<u>1,200</u>	<u>0</u>	<u>3,500</u>	<u>0</u>	<u>3,500</u>	
<b>TOTAL Expenses</b>	<b>18,300</b>	<b>14,300</b>	<b>14,100</b>	<b>23,450</b>	<b>16,300</b>	<b>20,250</b>	
Ending Cash Balance	1,900	3,800	5,900	7,150	10,050	2,000	

Reminder: The Ending Cash Balance for one month is the Beginning Cash Balance for the next month.

TEAM ASSIGNMENT 8.2
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1) In your Workbook, turn to the Financial Plan section of the Business Plan Template. Complete the first page of that section, calculating average monthly sales and expenses, as well as expected annual amounts. Refer to information in Exercise 8.1, if needed.

2) Turn to the Cash Flow Statement inside the Business Plan Template.

- Estimate a Beginning Cash Balance (perhaps based on your list of assets during the Startup Costs and Considerations exercise.
- Identify those items that will tend to stay the same every month, and put those numbers in the chart. (Refer back to your answers for Team Exercise 8.1).
- Project your expected income for each month.
- Make estimates for other costs, based on expected seasonal changes or other factors.
- Make calculations to determine the beginning and ending cash balance for each month.



## Section 9: Team Projects

### Review and Team Preparation

### Teacher's Notes and Instructions

	Teacher's Session Notes
Session Number	9.1 Review and Begin Preparation of Team Presentations
Session Content	Review of Course Material Overview of Presentation Skills Team Project Preparation
Goal(s)	3. Other Skills; 4. Application
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Identify steps for organizing and delivering effective presentations</li> <li>• Apply learnings from previous sessions to team business plan</li> <li>• Participate, organize, and lead in group discussions for problem solution</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	<p><i>See Student Workbook Appendix 2 (Presentations)</i></p> <p><i>See Teacher Appendix 1</i></p>

Sequence	Time ⌚
<p><u>Step 1: Conduct a Review of the Material Covered in the Course</u></p> <ul style="list-style-type: none"> <li>• Divide students into groups.</li> <li>• Distribute Poster B (one copy to each group).</li> <li>• Tell students to turn to Exercise 9.1 in their workbooks.</li> <li>• They will now have a chance to briefly review the information they have accumulated during the course.</li> <li>• Tell students to complete the Exercise. In cases where there may not be an exact answer – they should use their own judgment.</li> </ul>	30 min
<p><u>Step 2: Conduct a Discussion of the Review Exercise (Large Group)</u></p> <ul style="list-style-type: none"> <li>• It is not necessary to go through the entire exercise. Rather, randomly select some items in the exercise, and ask for student responses.</li> <li>• Ask if students have any questions about the exercise.</li> </ul>	5 min



Sequence	Time
<p><u>Step 3: Provide an Overview of Presentation Skills</u></p> <ul style="list-style-type: none"> <li>Remind students their teams will soon be preparing a presentation to give to the class. Before they begin, you will help them better understand what is involved in giving a presentation.</li> <li>◇ <i>Business owners often have to give presentations to others. Perhaps they make a presentation to a bank or to a potential group of customers. Sometimes, business owners give presentations at a business association or farmer cooperative meeting. So, it is good to acquire effective presentation skills.</i></li> <li>◇ <i>Have you ever listened to someone give a speech or stand in front of a crowd and talk? What did you like about their presentation? What are some things you didn't like?</i></li> <li>Now ask students to turn to Appendix 2 in their Workbooks (Giving a Presentation in Class).</li> <li>Point out the major headings – which represent the key steps involved in organizing and giving a presentation.</li> <li>Ask students to work together in pairs to read through the information.</li> <li>Ask if anyone has any questions.</li> </ul>	20 min
<p><u>Step 4: Introduce the Presentation Assignment</u></p> <ul style="list-style-type: none"> <li>Tell students to gather in their teams.</li> <li>Ask students to turn to the assignment (9.1).</li> <li>As a team, they should read through the assignment, and make any notes.</li> <li>Tell them they will have the rest of the class to start organizing and preparing their presentation of their Business Plan.</li> <li>Walk around and ensure students are staying on track.</li> </ul>	30 min
<p><u>Step 5: End Session</u></p> <ul style="list-style-type: none"> <li>Ask if anyone has any questions about the day's exercises.</li> <li>Announce that the class has now completed Section 3 of the course. Students can color in the first circle on their tree (using pencils or colored markers, as available).</li> <li>Remind students of time and day for next class.</li> </ul>	5 min



9.1

## Review Worksheet

*Refer to Poster B to complete the following.*

Topic	Business #	Give 2-3 possible examples for the Business specified.
Start-up Costs	8	8 – Start-up Costs: art supplies, paints, brushes, easels, sample paintings for marketing
Products to which they Added Value	15	15 – Added value: milk, cheese, meat, wool into sweaters, carpets, blankets,
Marketing Methods	2	2 – Methods: radio ad, free samples, store sign, poster
Target Customers	7	7 – Customers: women (married and with children); other businesses (for curtains, tablecloths, uniforms)
Competitive Advantages	5	5 – Advantages: variety of sizes and colors, stylish, imported, able to custom order, convenient location on main street
Marketing Materials	10	10 – Materials: business cards, sign, poster, flyers
Fixed Costs	11	11 – Fixed costs: rent, electricity/fuel, cleaning service, supplies
Materials Costs	2	2 – Materials: flour, yeast, salt, sugar
Knowledge and Skills needed	12	12 – Skills: design clay pot, use pottery wheel, use glaze, use kiln (oven), marketing
Possible problems with Cash Flow (seasonal changes)	13	13 – Cash flow: winter season, when animals get sick
Business Cycles	9	9 – Cycles: daily store hours, weekly cleaning, monthly rent, annual taxes, inventory purchases on monthly or quarterly basis.
Business Hours	4	4 – Hours: (typical book seller hours in Jalalabad)

## 9.1 Instructions for Team Presentations


Summary: Each team will organize a 15-minute presentation that they will deliver to the students and the teacher in class. The subject of the presentation will be their business idea and their business plan.

- Organize your presentation according to the following outline:
  - Introduction and Summary
    - Business Name
    - Business Type
    - Business Location
    - Why this idea?
    - Product Description
  - Marketing
    - Description of Target Customers
    - Description of Competitors
    - Competitive Advantage
    - Marketing Methods
    - Sample Marketing Materials
  - Finance
    - Types of Costs
    - Price and Pricing Strategy
    - Monthly and Annual Income and Expenses
    - Projected First Year Profit
  - Management Roles and Responsibilities
    - Team Members Job Titles
  - Operations
  - Long-range Plans
  - Conclusion
  - Questions and Comments from Classmates
- Ensure that everyone on your team has a role in planning, organizing and delivering your team presentation. Everyone on the team should get a chance to speak. *Tip:* Assign a different team member to deliver each of the major sections of the outline above.
- Remember to keep the total presentation to no more than 15 minutes. This should include 10-12 minutes for presentation and 3-5 minutes for questions.
- Prepare sample marketing materials to show during your presentation. You may use plain white paper with pencils or colored markers.
- Refer to Appendix 2 for helpful information on how to organize and give a class presentation.

Your teacher and classmates will be listening to your presentation and may provide comments and suggestions on the following:

- Staying within overall time constraint
- Teamwork
- Application of good presentation skills
- Organization and clarity of information
- Use of visual aids (marketing materials)

	Teacher's Session Notes
Session Number	9.2 Preparing Team Presentations
Session Content	Team Project Preparation
Goal(s)	4. Application
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Work in teams to prepare and organize a formal class presentation</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	See Student Workbook Appendix 3 (Business Planning)


Sequence	Time 
<u>Assist Students with Team Presentations</u> <ul style="list-style-type: none"> <li>• Teams will be spending the bulk of the class in preparing their class presentations.</li> <li>• Each team should complete all sections of the Business Plan Template in their Workbooks.</li> <li>• Walk around and ensure teams are staying on track.</li> <li>• Advise and assist where needed – pointing to information in the Workbooks that might be helpful in addressing a particular challenge.</li> <li>• Remind students of Assignment and Presentation Skills background information (located in Appendix 2 of their Workbooks).</li> </ul>	85 min
<u>End the Class</u> <ul style="list-style-type: none"> <li>• Announce that the students have completed Section 9 of the course. They can color in the ninth circle of their tree, using pencils, pens or colored markers.</li> <li>• Remind everyone of the time and date for the next class.</li> </ul>	5 min



# Section 10: Conclusion

## Teacher's Notes and Instructions

	Teacher's Session Notes
Session Number	10.1 Giving Team Presentations
Session Content	Class Presentations
Goal(s)	4. Application
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Present business ideas/plans a formal presentation using graphics, and support materials as part of a team</li> <li>• Respond to feedback from peers and from the teacher</li> <li>• Practice presentation skills as part of a team</li> </ul>
Methodology	Teacher Presentation, Student Workbook Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	None

Sequence	Time 
<p><u>Step 1: Allow Time for Final Preparation of Team Presentations</u></p> <ul style="list-style-type: none"> <li>• Remind students of the Team Assignment Instructions.</li> <li>• Tell teams they have a few minutes to organize their presentations.</li> <li>• Identify which team will go first (the Teacher may ask Teams to volunteer or make assignments).</li> <li>• Identify who will go second, third, and so on.</li> </ul> <p><i>Depending on the number of Teams, some presentations may need to take place during the next class</i></p>	10 min
<p><u>Step 2: Introduce Presentation Review Worksheets</u></p> <ul style="list-style-type: none"> <li>• Ask students to turn to Exercise 10.1 in their books.</li> <li>• Explain that while students are listening to other Teams give their presentation, they should use this worksheet to take notes.</li> <li>• Show them the Worksheet components, reminding everyone of the criteria for providing comments and suggestions.</li> </ul>	5 min

Sequence	Time
<p><u>Step 3: Begin Team Presentations</u></p> <ul style="list-style-type: none"> <li>Remind students that once presentations begin, no more preparation time will be allowed. As a courtesy to their classmates, everyone will sit quietly and listen to the presentations of others.</li> <li>Allow first Team to begin.</li> <li>For each Team:               <ul style="list-style-type: none"> <li>Keep track of time.</li> <li>Take notes on plain paper (using the Presentation Worksheet as a guide).</li> </ul> <p><i>Teachers will want to keep their own Presentation Worksheet clean to re-use in future training events</i></p> </li> <li>As the allotted time for a presentation nears the end, give Teams a two-minute warning to let them know they should conclude.</li> <li>After conclusion of each presentation, ask for a few quick reactions from the audience. Make sure to include your own response, including positive praise for their efforts.</li> </ul> <p><i>In 70 minutes, you should be able to complete 4 presentations (15 minutes each, plus transition time between the presentations).</i></p> <p><u>Step 4: End Session</u></p> <ul style="list-style-type: none"> <li>Thank everyone for their participation.</li> <li>Remind students they will conclude the presentations during the final class.</li> <li>Remind students of time and day for next class.</li> </ul>	70 min



7.2  
101

## Presentation Review Worksheet

Use this worksheet to take notes during the other Teams' class presentations.

<b>Presentation 1</b>	<b>Business Name:</b>
-----------------------	-----------------------

<b>Criteria</b>	<b>Things I like about this team's presentation</b>	<b>My suggestions for improvement</b>
General Business Idea		
Teamwork		
Presentation Skills		
Organization of information		
Relevance of Marketing Materials		

<b>Presentation 2</b>	<b>Business Name:</b>
-----------------------	-----------------------

<b>Criteria</b>	<b>Things I like about this team's presentation</b>	<b>My suggestions for improvement</b>
General Business Idea		
Teamwork		
Presentation Skills		
Organization of information		
Relevance of Marketing Materials		



# Presentation Review Worksheet

## (continued)

Use this worksheet to take notes during the other Teams' class presentations.


<b>Presentation 3</b>	<b>Business Name:</b>
-----------------------	-----------------------

Criteria	Things I like about this team's presentation	My suggestions for improvement
General Business Idea		
Teamwork		
Presentation Skills		
Organization of information		
Relevance of Marketing Materials		

<b>Presentation 4</b>	<b>Business Name:</b>
-----------------------	-----------------------

Criteria	Things I like about this team's presentation	My suggestions for improvement
General Business Idea		
Teamwork		
Presentation Skills		
Organization of information		
Relevance of Marketing Materials		

	Teacher's Session Notes
Session Number	10.2 Conclusion
Session Content	Class Presentations (continued) Course Wrap-Up and Individual Action Plans
Goal(s)	4. Application
Objectives	<p><i>At the end of this session, students will be able to:</i></p> <ul style="list-style-type: none"> <li>• Identify potential steps they can take to further their learning</li> <li>• Discuss options for further developing their business plan, developing their own business idea, and/or launching a business</li> <li>• Devise short-term action plans for individuals and teams</li> </ul>
Methodology	Teacher Presentation, Individual Exercise
Materials Needed	Workbook, pencils, paper
Background for Teacher	See Teacher Appendix 1

Sequence	Time 
<p><u>Step 1: Conclude Class Presentations</u></p> <ul style="list-style-type: none"> <li>• Ask remaining Teams to present their business ideas the same as in the last class.</li> <li>• Tell other students to take notes on their Presentation Worksheets and to listen carefully.</li> <li>• Provide your own suggestions to each Team.</li> </ul>	25 min
<p><u>Step 2: Large-Group Discussion about Team Presentations</u></p> <ul style="list-style-type: none"> <li>• Ask students to give their general impressions about the Team presentations, including what they liked and their suggestions.</li> <li>• Remind students they such presentations are similar to those made by business owners and those starting a business. Such presentations might be made to loan officers at a bank, to international aid program representatives, and to potential investors. They can be proud of their accomplishments.</li> </ul>	10 min

Sequence	Time
<u>Step 3: Information about Business Plan Competition (optional)</u> <ul style="list-style-type: none"> <li>If applicable, Teachers can share information about a forthcoming Business Plan competition, where Teams may be eligible to submit their finalized business plans for a prize.</li> <li>If there is no Business Plan Competition or other similar opportunity in the school or community, Teachers may skip over this step.</li> </ul>	5 min
<u>Step 4: Introduce Individual Action Plan worksheets</u> <ul style="list-style-type: none"> <li>Ask students to turn to Exercise 10.2 (Individual Action Plans in their books).</li> <li>Tell students they now have an opportunity to reflect on the entire course and to look ahead to the future.</li> <li>Students can work in pairs to complete this exercise, but each student should complete his or her own worksheet.</li> <li>Walk around and ensure that students are following the instructions correctly.</li> </ul>	20 min
<u>Step 5: Post-exercise Discussion (Large Group)</u> <ul style="list-style-type: none"> <li>For Question 1, call out each item, and ask students to raise their hands as to whether they are: (a) comfortable; (b) wanting to know more; (c) planning to use the information they learned in class. (They may choose more than one response).</li> <li>For Questions 2 and 3, ask 4-5 students to share their responses.</li> <li>For Question 4 (as with Question 1), ask students to raise their hands to indicate their response to each item.</li> <li>Ask students if they have any comments or questions about the class.</li> </ul>	20 min
<u>Step 6: End the Course</u> <ul style="list-style-type: none"> <li>Announce that the class has now completed Section 10 of the course. Students can color in the tenth circle on their tree (using pencils or colored markers, as available).</li> <li>Encourage students to keep their Workbooks, and to refer back to them for reference, when needed.</li> <li><i>Option:</i> Ask each student to say in a few words what they most remember about the course.</li> <li><i>Option:</i> Issue attendance certificates.</li> <li><i>Option:</i> Arrange a “graduation ceremony.”</li> </ul>	10 min



10.2

## Individual Action Plan

1) For each item in this list, check all that apply.

Topic	a) I feel comfortable with my understanding of this topic	b) I want to know more about this topic	c) I think this information will be useful to me in the future in the following ways
Identifying Startup Costs and Considerations			
Adding Value to Products			
Knowing What it takes to be a Business Owner			
Identifying Business Ideas			
Marketing Basics			
Identifying Target Customers			
Determining Competitive Advantage			
Creating Marketing Materials			
Business Planning			
Making a Budget			
Costing Products			
Pricing Products			
Setting up a Cash Flow Statement			
Using a Cash Flow Statement			
Discussing Business Ethics			
Managing Production			
Keeping Records			
Giving a Presentation			
Writing my own Business Plan			
Other_____			

# Individual Action Plan

## (continued)

2) The following are some ways I might use this Business Plan I started in class with my Team:

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3) This course has changed my understanding of many things, including:

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4) My priority action steps include: *(please indicate whether each item below is a high, medium or low priority for you)*

	<u>H</u>	<u>M</u>	<u>L</u>
a) Continuing to develop this Business Plan	___	___	___
b) Developing my own Business Plan	___	___	___
c) Using business skills in other aspects of my life (regardless of whether I ever become a business owner)	___	___	___
d) Participate in a Business Plan Competition	___	___	___
e) Find other opportunities to learn more about business	___	___	___
f) Start my own Business	___	___	___
g) Share what I've learned with family and friends	___	___	___
h) Other _____	___	___	___

# Appendices:

## TEACHER APPENDIX 1:

# Background for Teachers on Business Topics

### **Section 1**

*Business Cycles.* While business owners may feel like they have no control over their business life and therefore cannot plan ahead, in fact there are a number of business processes that have a cycle to them, and thus can be planned. This simple exercise, based on a generic entrepreneur, helps participants identify some basic business activities, their cyclical nature, and their sequence.

### **Section 2**

*Characteristics.* Most business owners worldwide share common characteristics and challenges. Students will see their own situation in a larger context.

One issue to consider during this exercise is: students' own negative attitudes toward business. Some may have had bad experiences with businesses in the past. Others may consider making a profit as unseemly or shameful. Helping students to articulate these attitudes can be an important aspect of the discussion, however Teachers should try to keep the discussion from going in too negative a direction. Perhaps it can be noted that throughout the world, business is a powerful force – it can be used to achieve good things, or not. Much depends on the character of the business owner.

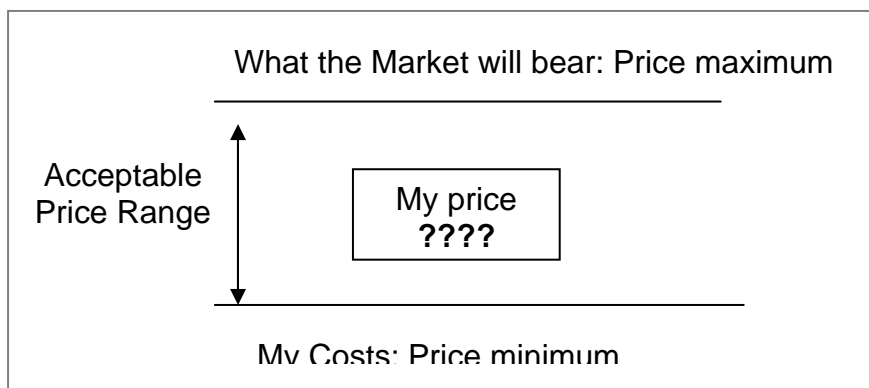
### **Section 5**

*Costing/Pricing.* Often, business owners start out pricing their product without a true understanding of the costs they incurred to produce it. They tend to focus on the money coming into the business, but may not carefully track the money flowing out for materials and other costs. Also, business owners often forget to include their own labor in their cost calculations.

The basic formula for calculating any product cost is  $\text{Materials} + \text{Labor} + \text{Indirect Costs (Overhead)} = \text{Product Cost}$

Indirect costs (rent, electricity, marketing) are usually allocated to each product as a percentage. The percentage varies for each business, depending on the amount of indirect costs and the volume of sales. The methods for calculating and allocating indirect costs are not included in this course.

**Pricing.** This is a challenging exercise, and requires good math skills. Participants will build on previous lessons about costing and pricing, The following chart may be useful to share with students in class.



Pricing is actually linked to marketing strategy. Once businesses cover costs, then the price (profit margin) can be affected by many things, including:

- “image.” Distinctive and stylish
- “quality.” Excellent materials and craftsmanship
- “volume.” Buy more and save.
- “timing.” Buy before the holiday and save.
- “comparison.” Better value than other options.

Typical profit margins can range from 2% to 300%, but can be much higher, depending on several factors, including what customers will pay.

Students may react negatively to the fact that business owners earn profits. Let them know that there are many reasons for this:

If business owners are only covering their actual product and business costs, they have nothing left over to pay for their personal expenses. And it is not possible to grow the business.

Also, it may be impossible to sell all the products – so the ones that are sold must help contribute to the business. For example, a farmer may not be able to sell all of his produce. Or the carpenter may have some tables that remain unsold. He has spent the money on materials, but the tables are still gathering dust in his workshop. Thus, the tables he does manage to sell must have a comfortable margin above cost for the business to survive and grow.

## **Section 6**

**Management Teams.** Matching the right person to the job within a company is not easy. Often, business owners may need to hire outside experts to help fill in the gaps in skills. For example, if no one inside the business is strong with numbers, the business may need to hire a professional accountant. Another example might be to hire a professional artist to design a company logo or marketing materials.



*Ethics.* What is considered ethical in some cultures is considered unethical or impolite in others. Sometimes, there are laws that impose a particular requirement and penalties for those who do not act according to the law. The purpose of the exercises is to help students think about the consequences of business decisions, and to understand that everyone involved has their own point of view.

## **Section 7**

*Production and Operations.* There are many reasons to be clear about the production process in a business. For example, if the business owner is away or becomes ill, others need to be able to quickly step in to produce or package the products. Having a work flow process that is clear and easy to communicate can help. Also, once the production process is clearly stated, the business owner can look for ways to revise it – to improve efficiency and reduce costs.

*Record-keeping.* Many entrepreneurs enjoy their work, but dislike having to keep track of their expenses. Some are actually fearful of financial matters. Keeping track of expenses can help enhance their knowledge of where the money is going, help them plan, and thus reduce anxiety about the future. Key to good record-keeping is doing it consistently.

In order to be able to calculate costs effectively, business owners need to keep good financial records. Most often when business owners work out of their home or produce products as supplemental income, they don't always do a good job of distinguishing between business and personal expenses, but lump them all together. They need help in seeing the importance of separating the two and find ways to better manage their costs.

## **Section 8**

*Cash Flow.* Many entrepreneurs enjoy seeing money come into the business, but dislike having to track money outflows, or note the relationships between income and expenses. Occasionally, even successful businesses experience times where expenses exceed income – perhaps due to seasonal business cycles or to special situations where costs go up. Examples of seasonal businesses are: any kind of farming-related business; someone making winter sweaters, tourism services, and holiday services.

Keeping track of cash flow can help enhance knowledge and understanding of where the money is going, help them plan, and thus reduce anxiety about the future. The following tools and templates are simple, and designed to improve the likelihood participants will keep better records of their income and expenses.

## **Section 9**

*Presentation and Communication.* Effective communication is essential to success in business. Conversations, interviews, phone calls, meetings, and public speeches are just some of the ways in which we communicate verbally with our customers, suppliers and co-workers. Written communication can be in the form of letters, memos, emails, reports, proposals, contracts, notices, advertisements, brochures, and flyers. In some instances, as when giving a presentation, for example, more than one form of communication is involved.

In any communication, there are at least two parties involved, each with their own wants, needs, attitudes, and backgrounds. Each of us has our own unique style. Some are shy, others are more outgoing. Some speak softly, others are loud. Being aware of the factors that are involved in effective interpersonal relationships can help us enhance our communications in the business arena to achieve greater success.

**Section 10:**

*Next Steps.* As part of preparing for the final course, Teachers should research local options for students. For example, options for additional training could be in the community, at the university, in other international programs. Also, there may be funding opportunities for them to pursue – either with their team business plan or another business idea.

STUDENT WORKBOOK  
APPENDIX 1

## How to Register a Business

The following information summarizes the steps and costs associated with registering a business in Afghanistan. The information is current as of January 2007. Please note that the information is general and is not meant to cover every variation of the business registration process. Some businesses may have to follow other requirements, including special licenses.

Every business should have a business permit

There are two types of permits: international and national

The International permit is given by the Ministry of Commerce and the national permit is given by the Afghanistan Investment Support Agency (AISA).

There are three classes of permits. Here is a summary of the current fees:

- 1) *Small* = \$200: for small businesses with annual income of \$1 - \$10,000
- 2) *Medium* = \$700 plus 1,500Afs: for medium sized businesses with annual income between \$10,000 – 100,000
- 3) *Large* = \$2,000: for big businesses earning greater than \$100,000.

General steps to be taken to register a business to get a national permit:

- 1) At AISA office, obtain business registration form and information on registration requirements.
- 2) AISA will establish the registration amount to be paid for business registration; fee will be paid at the bank.
- 3) AISA will verify that the name chosen is not being used by another company (name availability check).
- 4) AISA will introduce the new business to the provincial Finance Department to be registered with them.
- 5) AISA will register the business at the civil court.
- 6) AISA sends registration documents to the central office in Kabul for the last registration.
- 7) After 7 or 8 days the business will get permit documents from Kabul.

## STUDENT WORKBOOK

### APPENDIX 2

# Giving a Presentation in Your Class

The following information is to help you prepare, organize, and deliver your speech as well as create visual aids to accompany it and answer questions when it's over.

### Preparing an Effective Oral Presentation (General Background)

- Determine the purpose of your presentation & identify your own objectives.
- Know your audience and what it knows.
- Define your topic.
- Arrange your material in a way that makes sense.
- Compose your presentation with your objectives in mind.
- Create visual aids (such as drawings or charts), particularly if they will help you to be more persuasive, informative, or convincing.
- Practice your presentation with your visual aids and make necessary adjustments if your practice run exceeds the time limit for your talk.

### Organizing Your Presentation

- Make an outline of 3-5 main points that will help you meet your objectives in giving the presentation. It is best to use as few complete sentences as possible:
  - help you to see key words easier;
  - let you add to your notes at the last minute without crowding;
  - allow your speech to flow more naturally.

### Delivering Your Presentation

- Dress comfortably, but appropriately.
- Be yourself.
- Use humor, personal anecdotes, and audience participation when appropriate.
- Be conscious of your posture, your voice, your gestures, and your "body language. For example, avoid swaying from side to side or rocking back and forth.
- Face your audience and look at them (do not stare at the floor or at your papers).

- Speak clearly and at a pace that is not too fast or too slow for your audience.
- At the end, ask if anyone has questions.

### **Giving a Team Presentation**

- While one person may be elected (or volunteer) to lead – everyone should have a part in planning and delivering the presentation.
- Assign each person a section so that everyone (including the audience) is clear about who is saying what.
- Practice the presentation to ensure that each person is smoothly passing the lead onto the next person.

### **If You Decide to Use Visual Aids**

- Do not use too many visuals, as this could confuse your audience.
- Keep visual aids uncluttered:
  - b. use simple layout/design;
  - c. keep graphs, charts, and tables easy to “read” and interpret.
- Use titles on each visual aid to guide the audience.
- Make sure that the size of your images is large enough to be visible from all seats in the room.
- Do not rely on visual aids too much – people should be able to focus on what you are saying.

### **Answering Questions**

- As part of your preparation, try to think of questions the audience might ask and prepare brief responses just in case you need them.
- Listen carefully to each question, waiting to respond until you are sure that you understand what’s being asked.
- Repeat questions before responding to them to ensure that the entire audience has heard them.
- Keep your responses brief and to the point.
- Be honest—if you don’t know the answer, say so.
- Control the interchange (i.e. don’t let one person dominate the question-and-answer period or give a mini-speech). Do not get into a heated argument with someone who disagrees. Politely suggest that the matter be addressed at a later time.
- Use the last question to summarize your key points or reinforce your main idea.
- Thank the audience for their attention.

STUDENT WORKBOOK  
APPENDIX 3

## Background on Business Planning

### Importance of Planning

When we start on a journey, it is helpful to think about and gather information on the destination. It is even better if someone helps us draw a map that shows the steps for arriving quickly and safely.

### Setting the Direction

A business plan can help us envision the end result, and work through the steps for starting and running a business.

If we just start a business without any planning, the following things could happen:

- We didn't set aside enough money to purchase all the things needed
- Our best potential customers don't know about us, because we didn't reach them effectively or we did not accurately account for all costs.
- Our products cost more to produce, because we didn't organize the production process efficiently.
- We don't know whether we will have money and supplies next week or next month.

Obviously, once we have a plan, we may need to adjust it when we need to update it with new information. This happens when we get new information that changes what we had expected.

### Communicating with Others

A business plan also can help others understand what we have in mind for a business. For example, if we want others to invest in our business or give us a loan – or even to provide support and ideas, they need to understand exactly what is envisioned.

## STUDENT WORKBOOK

## APPENDIX 3

**Business Plan Template**

## Team Business Plan

**Business Name:**

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**Team Members:**

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**Contents:**

Business Profile and Summary  
Marketing Plan  
Financial Plan and Cash Flow Projection  
Management Plan  
Operational Plan  
Long-Range Plans  
Attachment (marketing materials)

Insert a Drawing of the Planned Business Here



## Business Profile and Summary

Name of Business:

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Business Description:

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Type of Business (check one):

<input type="checkbox"/> Manufacturer	<input type="checkbox"/> Wholesaler	<input type="checkbox"/> Retailer	<input type="checkbox"/> Service Retailer	<input type="checkbox"/> Other _____
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We Chose This Business Because:

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Product Description:

The primary product/ service can be described as:

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The primary product/ service has the following special features:

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Customers will want to buy our product/service because:

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Other products/ services we will offer include:

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**Customer Description:**

The primary customer's Need or Want that our product fulfills is:

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Age of Typical Customer: \_\_\_\_\_ Gender: \_\_\_\_\_

Our target customer has the following characteristics:

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**Start-Up Costs and Considerations**

We already have the following assets needed to start our business:

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To start selling our product/ service, the following items are needed:

Item	Description/ Purpose	Estimated Cost

We will get our start-up funds from the following sources:

Source	Amount
Personal Funds	
Friends	
Relatives	
Bank	
Investors	
Other	
Other	
Other	
TOTAL Estimated Funds	

## Marketing Plan

### General Information

The top 3 reasons why we think others will like this product or service are:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

The closest competitors are *(include names of companies and their products/services)*:

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Our competitors offer the following features and/or services that are attractive to customers:

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Summary of why our product/ service is better than the rest:

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### Selling Locations and Methods *(check all that apply)*

Selling Location	√	Brief Explanation
Home		
Outdoor Markets		
Trade Shows		
Local Stores		
Other Community Venues		
Other Towns		
Export Markets		
Other		

Actions we will take to reach our target customers in the first 1-3 months include:

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## Financial Plan

### Average Monthly Income

Sales	Monthly Amount	X 12 (Yearly Amount)
Units Sold Per Month		
X Total Selling Price		
TOTAL Sales		

### Average Monthly and Annual Business Expenses:

Category	Monthly Amount	X 12 (Yearly Amount)
Rent		
Utilities		
Materials/supplies		
Labor		
Marketing		
Transportation		
Equipment		
TOTAL Expenses		

Expected Profit for the first Year = \_\_\_\_\_  
 (Total Sales – Total Expenses)

## One-Year Cash Flow Projection

[illegible]

## Management Plan

Team Member

Job Title

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

Team Member 1's Relevant Experience, Skills and Talents:

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Team Member 1's Role(s) in the Company:

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Team Member 2's Relevant Experience, Skills and Talents:

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Team Member 2's Role:

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Team Member 3's Relevant Experience, Skills and Talents:

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Team Member 3's Role:

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Team Member 4's Relevant Experience, Skills and Talents:

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Team Member 4's Role:

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Team Member 5's Relevant Experience, Skills and Talents:

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Team Member 5's Role:

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Other Key People for Our Business (part-time workers, consultants, advisors, vendors):

Name	Role or Title	Description of Role or contribution

Operations Plan

Description of Business Location(s)

Business Hours

Description of Work Flow *(e.g., production process, daily schedule of team members, typical monthly or seasonal work elements)*

## Land, Buildings, Materials and Technology Needs

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## Long-Term Plans ( 1-5 Years)

By this time next year (insert date\_\_\_\_\_) our company will have accomplished the following:

<i>Production</i>	<i>Service</i>
Units Sold _____	Client Projects Completed _____
Total Sales _____	Total Income _____

In five years, our company will best be known for:

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Our company's greatest strengths for long-term growth potential are:

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