

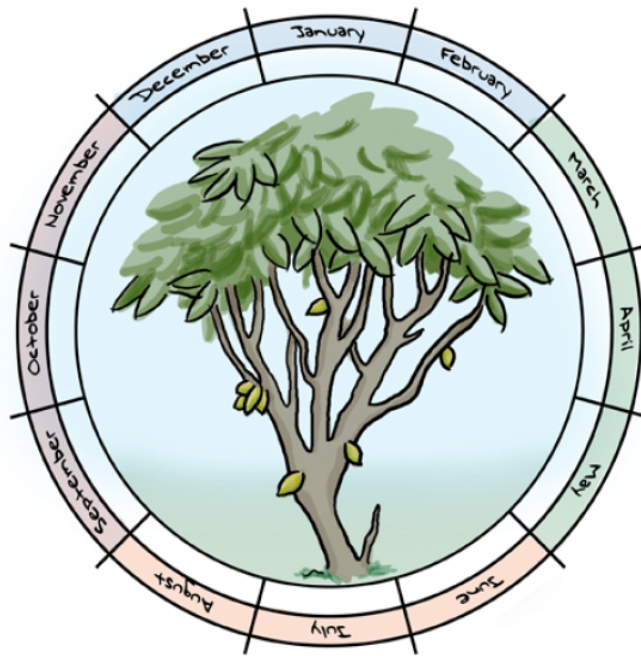


## THE ECHOES ALLIANCE

*Empowering Cocoa Households with Opportunities and Education Solutions*

*Livelihoods Training for Out-of-School Youth  
in Cocoa Communities in Ghana*

# Facilitator's Guide



Developed by Making Cents International for the Empowering Cocoa Households with Opportunities and Education Solutions (ECHOES) Program.

## **Acknowledgement**

Empowering Cocoa Households with Opportunities and Education Solutions (ECHOES) is a Global Development Alliance between the United States Agency for International Development, World Cocoa Foundation, the International Foundation for Education and Self Help, Winrock International and Making Cents International through Cooperative Agreement RLA-A-00-07-0045-00. ECHOES' objective is to strengthen cocoa growing communities by expanding opportunities for youth and young adults through relevant education.

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These materials are produced by Making Cents International as part of the ECHOES School to School Partnerships component.

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## **Part I: General Information**

### **A. Background**

The ECHOES program seeks to improve conditions in cocoa communities through education. A critical part of the effort is to better equip young people to create and benefit from livelihood opportunities in their cocoa communities rather than leaving to seek their fortunes elsewhere. Empowering youth through education and livelihood opportunities in the cocoa community context benefits the communities as a whole.

This training is designed to meet the need for a better understanding of the role of cocoa in the training participants' communities, the value chain of cocoa from the farm to the consumer and non-farming business opportunities related to cocoa. This is linked with the need for business skills for cocoa community youth to be able to take advantage of existing or created opportunities. It combines these needs into training materials that teach business skills in the context of cocoa farming and related businesses and other business opportunities in cocoa communities. This training seeks to build the analytical skills necessary to assess opportunities in their wider context so that youth can make decisions to undertake activities that fit their abilities, interests and means as well as true future market potentials.

### **B. Training Goals**

This training sequence aims to help youth in cocoa farming communities in Ghana:

- Enhance their understanding and awareness of basic business concepts and market conditions in the cocoa community context that affect their ability to maximize their profits, and improve their production;
- Understand the broader context of suppliers, producers, processors, wholesalers, retailers and consumers in which they conduct their agricultural operations (cocoa value chain);
- Discover practical methods and techniques for planning, income projection, risk assessment, debt management, savings and profit maximization – allowing youth in cocoa communities to see the value in cocoa farming and related cocoa community businesses;
- Improve their skills in the areas of market analysis, financial management (including cash flow) and record-keeping through class work, homework and a practical experience of planning, starting, running and debriefing a short-term “mini business”;
- Formulate individual or team business plans to implement what they have learned after the training.

Through role-playing, other exercises and a “mini business” practical experience, participants are able to experiment, take risks, and use creative problem-solving techniques in a safe environment, thus discerning how they might apply some of the things they learn to their own cocoa farming and related businesses.

### C. Target Audience

These training materials are specifically targeted towards the out-of-school youth in the agricultural training courses led by Winrock Ghana's field agents and shadow teachers.

The targeted out-of-school youth (ages 18-35) fall into three categories:

- Unschooled: little or no education or literacy;
- Early school leavers: attended school but did not finish Junior High School (JHS) and have a fairly low level of literacy;
- JHS graduates: finished JHS but may still have literacy challenges.

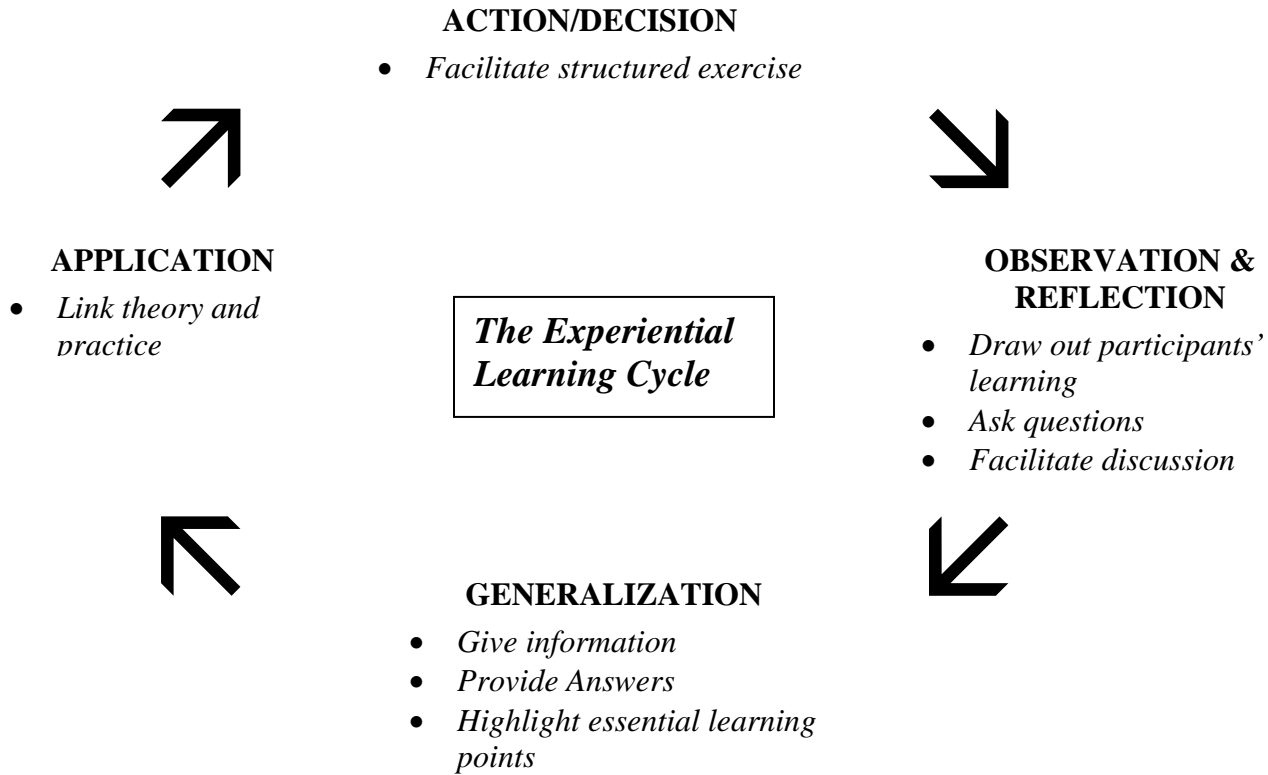
Thus the training is geared toward participants with a mix of levels of literacy skills. Some will be able to read the basic instructions and fill out the necessary forms while others will need help. Participants will work in groups to facilitate the sharing of skills. Since functional literacy is a goal of the ECHOES program, helping youth to be able to fill out the forms they will need to complete to get technical help and/or funding for their future business ventures is an important aspect of the training.

### D. Methodology

The training materials are designed to be incorporated into the experiential learning program for out-of-school youth led by Winrock Ghana field agents and shadow teachers in cocoa communities. The materials are meant to complement the existing agricultural training offered to out-of-school youth in these year-long practical courses.

The sessions are designed primarily for a classroom setting. Such a setting can as well be outdoors at the demonstration plot as in any available room. The exercises are group oriented, though individual assignments are also given for work in and out of class. The pedagogy follows the experiential learning cycle.

Experiential learning is often referred to as *discovery* or *action learning*. Learners discover business concepts through activities and discussions. This methodology requires trainers to *facilitate* the learning process and not to *teach*. The visual below describes the four main steps of the experiential learning process, the role of the facilitator is indicated in *italics*.



Field agents and shadow teachers are facilitators of the sessions rather than lecturers. They guide the participants through the experiential learning cycle drawing on the participants' own experiences as well as real life examples from the cocoa communities in which the facilitators live and work. Participants are more likely to put skills to use when they have discovered their value and relevance themselves rather than being told.

#### E. Training Sequence

After a short introductory session, six sessions on different business and entrepreneurship skills build on each other to allow teams of participants to develop a business plan, start and run a short-term mini business that they present and debrief in the seventh session. Between the seventh and eighth sessions participants develop a business plan, in teams or individually, for a real business idea that they present in the eighth and final session.

The sessions, in order of presentation are:

0. Course Introduction
1. What is a business?
2. Am I an Entrepreneur?
3. Business Planning
4. The Value Chain and Market Analysis

5. Record Keeping
6. Financial Planning
7. Our Mini Business Experience
8. Our Business Plans and Course Conclusion

Each session is two hours long (except for the shorter introductory session) and is best done without interruption. Participants will be required to engage in specific activities in between sessions. The sessions may be spaced out over whatever period of time best fits the existing agricultural training schedule. The last two sessions require a break of at least two weeks to allow the mini business experience between 6 and 7 and the final business plan preparation between 7 and 8.

## F. Course Materials

The Facilitator's Kit includes this Facilitator's Guide, Laminated Cards and the Youth Entrepreneur's Workbook (see Part V). In addition, the facilitator will need either a flip chart with markers (preferred) or a blackboard and chalk. Also, the Business Plan Template will need to be photocopied from the Youth Entrepreneur's Workbook to use one copy (in sections) in Session 3 and one copy for each participant to be handed out at the end of Session 7 for the final business plan that will be presented in Session 8.

## G. Facilitator Guidance

### 1. Preparation and Room Setup

#### A. Before the Course Starts

- Prepare or obtain copies of Youth Entrepreneur's Workbooks for each participant. You may want to have additional copies available.
- Prepare handouts. Handouts include extra copies of the Business Plan Template.
- Set up the training room. Most small group work has the class divided into three small groups. If it is practical, sitting the participants at three tables would be best.
- Obtain other classroom materials. Specifically, retrieve and prepare any additional materials and information not included in the Facilitator's Kit (e.g., pencils, flip charts and markers or a black board and chalk).

#### B. Before Each Class

- Refer to each Session Plan for specific materials and room-setup needs.
- Read and prepare all training notes and exercises. Some of the exercises require math skills and knowledge of business finance concepts. Trainers are encouraged to work out the exercises for themselves in advance to ensure they are properly prepared to help their participants.
- Discretely determine range of literacy skills of participants. Plan to group participants accordingly. Trainers may also need to adjust exercises and small group activities based on the degree of literacy and numeracy skills available at each table. Adjustments might include: (a) assigning a "reader" at each table; (b) reading information aloud to the entire group prior to the exercise, and (c) visiting each small group to ensure comprehension.

### C. During each Class

- Review work. Since days may pass between each class, it is important to help participants 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 training day will flow smoothly.
- Encourage interactivity. Minimize “lecture” time to allow participants 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 others at some point.
- Give reminders. Encourage participants to save their work, as they may be returning to it on subsequent training days. For example, planning materials made in one session may be part of an exercise on another day.

## 2. General Instructions for Leading Small Group Learning Activities

### A. Introduce the Activity:

- Divide the participants into three groups. Mix up the participants so that they are not always in the same group (unlike the business teams that will be constant from their formation at Session 3 until their presentations in Session 7).
- If material is being used from the Youth Entrepreneurship Workbook, have the participants take them out (you will need to make sure they bring their workbooks to every session). Ask for a volunteer in each group to read aloud to help those who cannot.
- If appropriate, distribute the laminated cards to the groups.
- Each group should go through each discussion question and activity together.

### B. Manage the Small Group Discussion

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

## 3. 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.

### A. To Introduce a New Topic

- Present new information and summarize on flip chart or board.
- Pose questions along the way to ensure comprehension and encourage interactivity.
- Use the Expected Answers provided in the Session Plans to help participants bring out the key learning points.

### B. 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 participants verify their small group work.
- As much as possible, ask participants to tell you their answers, rather than giving them answers.
- Formulate questions to ensure participants 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 participants dominate the discussion.

#### 4. About the Session Plans

In the following Syllabus section, Session Plans are laid out for each session. The plan provides the objectives and sequence of activities with required time and materials for each step in the session plan. The plans are detailed with precise instructions to the facilitator. It is not necessary, or advisable, to stray from the script. The recommended words to speak are in italics and quotes, when specified. Otherwise, directions are given for what to say and do. When questions are to be posed, expected answers are given in parenthesis. These are not exhaustive lists of possible answers but are indications of the key points to bring out. It is very important to let the participants discover the answers. If the expected answers are not voiced, it is better to ask leading questions to get those answers than to give the answers to the participants. If all else fails, the answers may be given to keep the flow of the session going.

## Part II: The Syllabus

### Session 0: Course Introduction

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#### Objectives:

- ❖ Identify course objectives and methodology
  - ❖ Present sequence of session topics
  - ❖ Set expectations for participation
  - ❖ Present schedule
- 

#### Materials Needed:

- Chalk board or flip chart and chalk or markers
  - Flip chart or chalk board with course goals
  - Laminated Cocoa Tree Chart of Sessions (a copy is in the Workbook)
- 

**Duration:** 15 minutes

Sequence	Time	Materials
<p><b>Step 1:</b> Write the course goals on a flip chart and post:</p> <ul style="list-style-type: none"> <li>• Learn business concepts and market conditions in the cocoa community</li> <li>• Understand the role and importance of cocoa in the world and at home and the cocoa value chain</li> <li>• Develop and use business planning and management skills</li> <li>• Prepare a business plan for a future business</li> </ul>	5 min	
<p><b>Step 2:</b> “We will do this by learning about the following business topics.” Show the Cocoa Tree Chart of Sessions and have participants turn to the chart in their Workbooks. Have those who are comfortable to do so read out the session topics in order. Explain the importance of the course and the usefulness it will have for the participants</p>	5 min	Laminated Cocoa Tree Chart of Sessions (in the Workbook)
<p><b>Step 3:</b> “The sessions will depend on your participation. You will work in small groups and be expected to share your ideas. My role will be to facilitate your learning, not to lecture you or teach you. You will be asked to do work outside of class as well so that your learning can be as relevant and practical as possible.”</p>	5 min	
<p><b>Step 4:</b> Explain the schedule of sessions.</p>		

## Session 1: What is a business?

### Objectives:

- ❖ Learn what a business is.
- ❖ Understand business cycles.
- ❖ Recognize that cocoa farming is a business.
- ❖ Identify different types of businesses and business activities.
- ❖ Recognize that a business owner has choice on when to do some activities and that these decisions affect business profitability.
- ❖ Understand the basics of expense, income and profit.

### Materials Needed:

- Chalk board or flip chart and chalk or markers
- Laminated blank calendar cards (3) (a copy is in the Workbook)
- Laminated Village Business Posters (3)
- List of business types written on flip chart or other paper to post

**Duration:** 2 hours

Sequence	Time	Materials
<p><b>Step 1:</b></p> <p>a. “When you think of a business, what is the first thing you think of?” (Expected answers: a store, a factory, some may say a farm—in which case acknowledge that this is exactly what we are hoping to hear.)</p> <p>b. “What are some businesses in this area?” (Answers will vary—ask them to be specific with actual business names—help them think of service businesses as well as production and retail.)</p> <p>c. “Is cocoa farming a business?” (Have a short discussion and point out that we will see what a business is and whether cocoa farming is or is not a business.)</p>	10 min	
<p><b>Step 2:</b></p> <p>“Let’s look at cocoa farming. What does a cocoa farmer do?”</p> <p><b>Brainstorm:</b> Have participants suggest activities that take place on a cocoa farm. After a brief discussion, say, “Some of these activities happen frequently, some not so often. Let’s look at cocoa farm activities and see which take place daily, weekly, monthly, annually or seasonally.” Ask someone to explain what these terms mean. On a chalk board or flip chart, write the categories on the left (daily, weekly, monthly, annually and seasonally) and leave room for two columns of answers (we will look at a cocoa farm and later a retail</p>	15 min	Chalk board or flip chart and chalk or

<p>business). Have the participants give examples of each type of activity in order.</p> <p><b>Step 3:</b>  a. <i>“So, these activities happen at different times during the year. Let’s make a calendar of the year for cocoa farming activities.”</i> Ask someone to explain what a calendar is. Show the blank calendar card. <b>Small groups:</b> Form three small groups of 4-6 participants each and give each a blank calendar card and have them turn to the blank calendar in the Workbook. Ask each group to fill in activities for each month (either written or drawn).  b. Have one group share and let others suggest additional ideas but keep the discussion fairly short. Disagreements about timing are fine!  c. <b>Define:</b> Ask, <i>“What is a cycle?”</i> If no answers come, ask them to think of a bicycle (bi-cycle) and compare the wheel on the bike to the calendar they drew. Summarize: <i>“A cycle is a set of activities that happen in order over and over again repeating the pattern like a wheel going around.”</i></p>	<p>15 min</p>	<p>markers</p> <p>Laminated blank calendar card (copy in the Workbook)</p>
<p><b>Step 4:</b>  <i>“On a cocoa farm, what activities absolutely must happen at a certain time of year?”</i> (Expected answers, planting, fertilizing, pruning, weeding, etc.). Have them circle on their calendars those activities the group tells you must be done at a certain time.  <i>“Which activities have more flexibility (can be done when the farmer chooses to do them)?”</i> (Expected answers: buying fertilizer, selling cocoa beans, etc.)  <b>Discuss:</b> <i>“How does someone decide to do a particular activity that may be done at different times?”</i> (availability of money to buy inputs, need for money so sell produce, etc.). <i>“What effects does making these decisions at different times have?”</i> (buying fertilizer when the price is lower will save money, applying more fertilizer may increase yields and make more money, etc.) Let participants know that we will be discussing the types of decisions that affect how much money you make in a business and how planning when to take action can make a big difference.</p>	<p>10 min</p>	<p>One of the small group calendars and a marker.</p>
<p><b>Step 5:</b>  a. <b>Brainstorm:</b> <i>“Let’s look at a retail business now. Give me an example of a retail business. Let’s look at its activities on our daily/monthly list.”</i> Go through each category and brainstorm activities at a retail store and write answers on the chart next to cocoa farming activities.  b. <i>“Do these activities happen in a cycle?”</i> Ask someone to explain. <i>“All businesses have cycles. Obviously, it is impossible to know</i></p>	<p>15 min</p>	<p>Partially completed list on flip chart or chalk board, markers or chalk</p>

<p><i>everything that can happen. But because of business cycles it is possible to plan for the future.”</i></p> <p>c. “<i>What activities are similar in cocoa farming and retail?</i>” (Be sure that the discussion brings out buying inputs, use of labor (someone’s work) and selling products).</p> <p><b>Step 6:</b></p> <p>a. <b>Brainstorm:</b> “<i>What other businesses are there in this area besides cocoa farming and retail shops?</i>” Get as many participants to offer examples as possible in a short discussion. “<i>Here is a picture of a village with several businesses.</i>” Give out a Village Business Poster to each small group. To the large group say, “<i>Tell me what businesses you see.</i>”</p> <p>b. <b>Define:</b> Ask participants to offer definitions of the following terms and then add any aspects not mentioned. Then post this list previously written on flip chart paper:</p> <ol style="list-style-type: none"> <li>1. Agriculture—The practice of cultivating (working) the land or raising livestock.</li> <li>2. Retail—The direct sale of goods to consumers.</li> <li>3. Manufacturing/Production—Making or processing a raw material into a finished product.</li> <li>4. Service—Performance of an activity or work for another.</li> </ol> <p>c. <b>Small groups:</b> “<i>In your small groups look at the Village Business poster and identify examples of each type of business listed here that are in the picture (point to the chart you just put up). Also think of one other business not in the picture as an example for each business type.</i>”</p> <p>Have one group share their ideas and then the others can add any ideas that they have that are different.</p>	<p>20 min</p>	<p>Laminated Village Business Posters</p> <p>List of business types previously written on flip chart or other paper to post for all to see</p> <p>Blank paper and pencil or pen for each group</p>
<p><b>Step 7:</b></p> <p><b>Small groups:</b> Assign each group either manufacturing/production (processing) or service and ask them to choose a business that was identified on the Village Business Poster as being of that type. “<i>Make a list of business activities that take place in that business.</i>” Refer back to the list of activities you made for a farm and a retail business so they understand what you mean by activity. Go around to the small groups to be sure they are writing a list that includes things like buying inputs or taking stock, etc. Have only one group share its ideas for each type with any additions from others at the end.</p>	<p>10 min</p>	<p>Blank paper and pencil or pen for each group</p>
<p><b>Step 8:</b></p> <p>a. “<i>We saw from the cocoa farm calendar and the retail business that businesses have cycles where activities happen again and again and we can see into the future. Good businesses have a plan for knowing when and how often their business activities occur. For example, a</i></p>	<p>15 min</p>	

<p><i>good retailer knows that she can sell goods only after she has ordered supplies. She cannot sell something before she buys it! So, she plans to order supplies before she needs them for selling. And, based on the number of sales she will make, she knows how often she will have to reorder.”</i></p> <p><b>b. Small Groups:</b> <i>“Each of your groups has a list of business activities you identified. Put those business activities in the order they need to happen (1, 2, 3, and so on) and note how often they must be done (daily, weekly, monthly and so on).”</i></p> <p><b>c.</b> <i>Have a group that did not present in Step 7 share their list of activities in the order and frequency they decided. Get brief feedback from the other groups.</i></p> <p><b>d.</b> <i>“We said that good businesses have a plan for knowing when and how often their business activities occur. Now you have a list of activities you would do in your business and when you would do them. What could you call this list?” (Expected answer: a plan!)</i></p> <p><b>Step 9:</b></p> <p><b>a.</b> <i>“We have looked at businesses in this area and seen what they do. Are any of their activities similar? What are some of the things they all do?” (Expected answers: buy, produce, sell, etc.)</i></p> <p><b>b. Define:</b> <i>“So, what is a business? A business is a set of activities. We have looked at how the activities happen again and again in a predictable way in what we call a business cycle. Let’s look at those activities in another way.</i></p> <ul style="list-style-type: none"> <li>▪ <i>“What goes into a business?” (Expected answers: money, labor, materials made or bought, etc.) “These things that you <b>put in</b> the business are called <b>inputs</b>.”</i></li> <li>▪ <i>“What comes out of a business and goes to the consumer?” (Expected answers: products or services sold, etc.) “These things that the business <b>puts out</b> to the consumer are called <b>outputs</b>.”</i></li> <li>▪ <i>“What is the result for a business owner?” (Expected answers: money, profit, etc.) “This result is what happens when an entrepreneur has activities that are inputs and outputs.”</i></li> </ul> <p><i>“Inputs are also require <b>expenses</b>. What does expense mean?” (Expected answer: an expense is money you spend—it is money that leaves the business) “Why do inputs require expenses?” (Expected answer: because it costs money to buy the inputs) “Outputs produce <b>income</b>. What does income mean?” (Expected answer: income is money that comes into the business) “Why do outputs produce income?” (Expected answer: because consumers pay you money to get the product or service your business puts out) “Results are also called <b>profits</b> or <b>losses</b>. What do profit and loss mean? (Expected answer: the money you have left after you do your business) “What</i></p>	<p>5 min</p>	
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<p><i>produces the results?</i> (Expected answers: the activities of the business, the inputs and outputs). <i>“So, first you have an input that is an expense, then you have an output that is an income and the difference between the two is...?”</i> (Expected answer: the results: profit or loss!)</p> <p>c. <i>“So, is cocoa farming a business?”</i> (Yes!) <i>“Why?”</i> (Expected answer: because it has inputs/expenses and outputs/income and results/profit or loss) <i>“Learning business skills in this course will help you make more money (increase profits) no matter what business you choose.”</i></p> <p><b>Step 10:</b>  <b>Summary</b>  <i>“During this session we discovered what a business is and learned about business cycles. We came to recognize that cocoa farming is a business and identified different types of businesses in the area and their activities. We realized that a business owner has choice about when to do some activities and that these decisions affect business profitability. We also came to understand the basics of expense, income and profit in every business.”</i></p>	<p>5 min</p>	
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## Session 2: Am I an Entrepreneur?

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### Objectives:

- ❖ Understand what an entrepreneur is.
  - ❖ Discover what a successful entrepreneur does.
  - ❖ Recognize experiences each participant has had that are similar to what a successful entrepreneur does.
  - ❖ Identify the personal qualities of a successful entrepreneur.
  - ❖ Recognize personal qualities the each participant has that make an entrepreneur successful.
  - ❖ Draw a map of personal connections participants have that link them to community and district resources.
  - ❖ Reiterate that this course can help them all be successful entrepreneurs.
- 

### Materials Needed:

- Chalk board or flip chart and chalk or markers
  - Laminated “Cocoa Value Chain Role” cards (1 x 7 role cards: input supply dealer, nursery owner, cocoa farmer, processor, transporter, cocoa buyer and retailer) These cards will be used as examples of types of entrepreneurs not to discuss the cocoa value chain in this session.
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**Duration:** 2 hours

Sequence	Time	Materials
<p><b>Step 1:</b></p> <p>a. Hold up the seven role cards in any order so that all of the participants can see. <i>“I want you to tell me what the people in the pictures are doing.”</i> Have them identify the roles one at a time. (Expected answers, but <b>not in this order</b>: input supply dealer, nursery owner, cocoa farmer, processor, transporter, cocoa buyer and retailer—you will have to help them identify some of them!)</p> <p>b. <i>“Which of these people is an entrepreneur?”</i> (Expected answers: any of the roles may be chosen) If someone asks what entrepreneur means, put the question back out to the group to see if they can define it. If no one asks, ask them what an entrepreneur is. If all else fails, explain that an entrepreneur is a business owner or someone who has an idea that he or she uses to make money.</p> <p>c. <i>“All of these roles could be an entrepreneur. Why would any of them not be?”</i> (Expected answer: because he or she is working for someone else)</p>	15 min	Laminated Cocoa Value Chain Role cards (1 x 7 role cards)
<p><b>Step 2:</b></p> <p>a. <b>Small Groups:</b> Divide the class into three groups and ask them to</p>	30 min	

<p>come up with at least five answers to the question: <i>“What business activities does a successful entrepreneur do? Remember what we discussed about business activities at the last session”</i> (Expected answers: buys and sells, produces or grows things to sell, plans, budgets, takes stock, keeps records, hires workers, etc.) Give them five minutes to discuss then have each group share three ideas with the whole group without repeating any answers. Write the answers on the board or flip chart. If no one mentions planning, ask if anyone has ever helped to organize an event, a trip or a party. <i>“Isn’t that planning?”</i> (Yes!)</p> <p>b. <b>Pairs:</b> Have participants pair up with someone next to them. In the pair have them discuss what they have done in their lives that is similar to what successful entrepreneurs do. Have each participant come up with two examples. Give them five minutes and then ask for four volunteers to share their experiences with the whole group.</p> <p>c. Point out that they have already done some of the things successful entrepreneurs do!</p>	<p>20 min</p>	<p>Chalk board or flip chart and chalk or markers</p>
<p><b>Step 3:</b></p> <p>a. <b>Small Groups:</b> Have the same small groups discuss and come up with five answers for the question: <i>“What personal qualities make entrepreneurs successful?”</i> If there is a question as to what a personal quality is, <b>give an example such as bravery or courage.</b> Give them five minutes to discuss and then have each group share three qualities with the whole group without repeating any. Write the answers on the board or flip chart. (Expected answers: hard-working, good communicator, decisive/decision maker, self-directed, motivated, assertive, honest, on time, problem solver, risk taker, flexible, resourceful, clever, patient, etc.)</p> <p>b. <b>Pairs:</b> In the same pairs as before, have each participant choose two of the listed personal qualities that he or she feels he or she has demonstrated and explain to his or her partner how, that is, say what they did that showed the quality. After five minutes, have four volunteers who have not yet shared share their experiences.</p> <p>c. Point out that they already have some of the personal qualities that successful entrepreneurs need.</p>	<p>30 min</p>	<p>Chalk board or flip chart and chalk or markers</p>
<p><b>Step 4:</b></p> <p>a. <i>“Who you are and what you know are both important for becoming an entrepreneur. So is who you know. A good entrepreneur knows that she or he cannot know everything or do everything necessary to run a successful business. So, it is important to know who you can turn to when you need help—either in resources, knowledge, skills or connections. You will now begin to identify key people in your community and the area around it.</i></p> <p>b. <b>Pairs:</b> <i>“Choose a partner near-by and brainstorm together names</i></p>		

<p><i>of people you each know who have something special to offer in resources, knowledge, skills or contacts. Think especially about people who could help you if you started a business. Then each of you draw your own map of who you know that has something you might need, knows something special, knows how to do something or has special connections in the community or in the district.”</i></p> <p>Draw a simple sketch on the board or flip chart to illustrate the form such as this (they will most likely have more circles and not have the pattern so neat—the point is to show the connections not make a beautiful diagram):</p> <div data-bbox="532 562 753 758" data-label="Diagram"> <p>The diagram consists of a central circle with lines radiating outwards to eight other circles arranged in a roughly circular pattern around it. One of these outer circles is further connected to another circle outside the main group, illustrating a network of connections.</p> </div> <p><i>“Draw a circle in the middle of the paper with your name in it. Draw lines to other circles around you (like spokes on a wheel with you at the hub) with names of those you know and what they have to offer. If what they have to offer is connections to others with something to offer, draw lines from those people’s circles to other circles further from you.”</i></p> <p>Give them fifteen minutes to discuss with their partners and draw their diagrams. Each person should draw her or his own but working with a partner can help stimulate each one’s thinking. Have four volunteers who have not shared their small group or pair work yet today share their maps with the class. Be sure to have them show the map to the rest of the class.</p> <p><b>Step 5:</b> Divide the seven role cards among the class into fairly even groups and ask each group to come up with a story about the person that shows how he or she is a successful entrepreneur. “What is her or his name? Where does he or she live? What does she or he do? What is he or she like? Who does he or she know? What makes him or her successful?” Give them ten minutes to discuss and develop a two minute story (that is very short!) to share with the class.</p> <p><b>Step 6:</b> “So, we saw what activities a successful entrepreneur does. Have you done any of them?” (Yes) “We have seen what personal qualities a successful entrepreneur needs. Do you have any of them?” (Yes) “We saw that a successful entrepreneur knows people who can help her or him. Do you know anyone?” (Yes) “So, do you think you can be a successful entrepreneur?” (Yes!)</p>	<p>25 min</p>	<p>Chalk board or flip chart and chalk or markers</p>
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<p><i>“You all have the <b>potential</b> to be entrepreneurs. You are not entrepreneurs yet. You do not have all the knowledge and skills you need, all the personal qualities you need or all the contacts you need yet. This course will help you develop the qualities and skills to be a successful entrepreneur! In the next session we will begin with the skill of business planning.”</i></p>		
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### Session 3: Business Planning

#### Objectives:

- ❖ Understand what business planning is.
- ❖ Learn why planning is important.
- ❖ Recognize how business planning can improve cocoa farming.
- ❖ Identify key sections of a business plan.
- ❖ Form teams to begin a business plan.

#### Materials Needed:

- Chalk board or flip chart and chalk or markers
- Plain paper, pens or pencils and markers or crayons for participants
- Business Planning Story/Dialogue (in the Workbook)
- Business Planning Worksheet (in the Workbook)
- Business Plan Template (in the Workbook plus one photocopy to hand out in sections)
- Laminated Village Business Poster (one)
- Team Business Selection Worksheet (in the Workbook)

**Duration:** 2 hours

Sequence	Time	Materials
<p><b>Step 1:</b></p> <p>a. Introduce the session. Explain that previously we have discussed that every business has cycles. Thus, it is possible to plan for the future. In this session, participants will have an opportunity to practice their planning skills.</p> <p>b. Ask three participants to come up in front of the class to read a story. The story is about three cocoa farmers. (James, Samuel and Joseph). Assign each of the three persons to read a particular part (<i>NOTE: James has the most to say, so a strong reader should be assigned to the part of James</i>).</p> <p>The three participants should read Part 1 of the Dialogue and then stop.</p> <p>At the end of Part 1, ask the entire group to think of themselves as local cocoa farmers (themselves, their families or relatives) when answering the following questions:</p> <ul style="list-style-type: none"> <li>• <i>“How many of you cocoa farmers are like James and you make a plan of some kind for the year?”</i></li> <li>• <i>How many of you are more like Joseph – you don’t think it’s necessary?</i></li> <li>• <i>How many of you are more like Samuel – you don’t plan now, but you want to know more?</i></li> <li>• <i>All three cocoa farmers mention they had a better year than usual. Why do you think James had an even better year than</i></li> </ul>	25 min	Business Planning Story/Dialogue (in the Workbook)

<p><i>his friends?”</i> (Possible answers: he worked harder, he had a larger farm and more resources, or he planned better.)</p> <p>After this discussion, ask the three participants to continue with Part 2 and then stop.</p> <p>At the end of Part 2, ask the entire group the following questions:</p> <ul style="list-style-type: none"> <li>• <i>“So now we learn why James wanted to plan ahead. Besides a wedding, what are some other reasons why we might want to make an extra effort to earn more income?”</i> (Possible answers: purchase/rent more land to expand the farm, build a new home or expand an existing one, send children to secondary school, etc.)</li> <li>• <i>“James and his wife are asking “what if” questions to change the way they usually work. What are some more questions they could ask?”</i> (Possible answers: questions about labor, market prices for other sources of income (intercropping, etc.), reducing household expenses, savings, getting a loan).</li> </ul> <p>After this discussion, ask the three participants to continue with Part 3 and then stop.</p> <p>Ask if anyone has any questions about the story.</p> <p><b>Step 2:</b></p> <p>a. Tell participants that they will now help Samuel plan his cocoa farming business. Samuel’s farm is two acres of mature cocoa trees.</p> <p>b. Have participants turn to the Business Planning Worksheet for Samuel in the Workbook.</p> <p>Help participants get familiar with the tool by pointing out:  <i>“On the left is Samuel’s plan for next year. Sources of Funds for the year are at the top with Uses of Funds underneath with his surplus or deficit on the bottom. Sources increase the money he has, uses decrease it. If his sources are greater than his uses, he has a surplus. If his uses are greater than his sources, he has a deficit. Think of a stream that flows nearby. The money is like the water flowing in the stream. If you make a dam you have a pond. Water flowing in is like the money in the sources of funds. Water flowing out is like the money leaving in the uses of funds. Whatever the farmer can do to make the money stay with him is like the pond. If the dam is poor the water leaves and the pond is dry. The better the dam management, the more water there is in the pond. This is like business management where the money that stays is the surplus and the dry pond is the deficit where more money has gone out than came in.”</i>  <i>“Samuel has already inserted his Plans for the year. For example, he expects a yield of 5 bags per acre on his 2-acre farm. With a possible market price of 50 per bag, he should receive 500 (10 bags x 50) for his cocoa.”</i></p> <p>To ensure that participants understand the chart, ask the following questions:</p>	<p>25 min</p>	<p>Business Planning Worksheet (in the Workbook)</p>
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<ul style="list-style-type: none"> <li>• “Which is higher? Samuel’s total Sources of Funds or his total Uses of Funds for next year?” (Expected answer: Sources of Funds)</li> <li>• “So, does that mean that Samuel is expecting to make money or lose money next year?” (Expected answer: make a little bit of money)</li> <li>• “What are some things that might happen to change the actual results of that plan?” (weather could increase or reduce crop yields, prices could go up or down, bad fertilizer could result in low yields)</li> </ul> <p>c. “Let’s ask the “what if” questions James used so successfully. Let’s see what would happen if Samuel bought fertilizer at a different time of the year or a different location at a lower price. In his plan, Samuel bought 4 bags of fertilizer at 15/bag, or the 60 you see on the worksheet (let’s assume he had no other expenses).”</p> <p><b>Small Groups:</b> Have the small groups reform and answer the following questions:</p> <ul style="list-style-type: none"> <li>• “What if he bought the same number of bags at 10/bag? In your small groups, recalculate the cost of fertilizer and the total uses and enter the new amounts in the middle column. Then enter the correct numbers in the box at the bottom of that column and see what the Surplus/Deficit would be.”</li> </ul> <p>Ask one group to share their results with the rest of the class. (Expected answer: total uses of 860 and surplus of 90)</p> <p>Then ask the whole group:</p> <ul style="list-style-type: none"> <li>• “Has buying cheaper fertilizer increased or decreased the money Samuel has left at the end of the year?” (Expected answer: increased by 20, from 70 to 90.)</li> </ul> <p><b>Small Groups:</b></p> <ul style="list-style-type: none"> <li>• “What if he spent the same amount on fertilizer as in his plan but at the lower price of 10/bag? More fertilizer increases yields (up to a certain point but Samuel has not reached that point yet). Let’s say that every extra bag of fertilizer Samuel uses will yield him two extra bags of cocoa. In your small groups, recalculate the Cocoa Income and Total Sources with the new number of bags of fertilizer he bought and enter the new amounts in the right hand column and the new number of bags of cocoa he sold. Then enter the correct amounts in the box at the bottom and see what the Surplus/Deficit would be.”</li> </ul> <p>Once again, ask one group to share their results with the rest of the class. (Expected answer: Total Sources of 1150 and Surplus of 270)</p> <p>Ask the whole group:</p> <ul style="list-style-type: none"> <li>• “Has buying more fertilizer at the lower price increased or decreased the amount of money Samuel has left at the end of the year?” (Expected answer: increased by 200, from 70 to 270.)</li> </ul>		
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<p>to work more carefully with the document as they complete different sections. Point out that they will be working in teams and that each team should have at least one member that can read and write well enough to help the rest of the team work through the plan document.</p> <p><b>Step 5:</b>  <b>a. Small Groups:</b> Divide parts of the Business Plan Template among the three small groups for them to complete a rough draft for Samuel’s cocoa farm. It does not need to be complete or well written. Give the group a photocopy of the section they are to draft. Tell them to make up information and numbers that can be guesses as this is just practice. When they do their plan they will have time to research and discover more accurate information. They will have 15 minutes to do a rough draft of their section to share.</p> <ol style="list-style-type: none"> <li>1. Business Profile and Summary (Workbook pages 11-12)</li> <li>2. Financial Plan (Workbook page 14)</li> <li>3. Operations Plan (Workbook page 17 (part))</li> </ol> <p>b. Have each group share its section with the whole class in only three minutes. Keep the discussion brief as others will surely have different opinions! Since no one had a chance to do any research, others may have different information than the group that prepared the draft (which may be better or worse!).</p>	<p>25 min</p>	<p>Business Plan Template (photocopy of one section for each group)</p>
<p><b>Step 6:</b>  Tell the participants that after this session they have a chance to form teams of not more than 4 members (2-5 is possible but 3-4 is best) to work together for the rest of the course to develop a business plan and run a very small business for two weeks before the end of the course. The business idea could be anything that interests them but should be simple enough to plan and actually run for two weeks. It must be something that does not require very much money to start since they will have to raise the money themselves by using money they have saved, getting family or friends to invest or borrow from family or friends. Ask participants to remember the Village Business Poster and <b>brainstorm</b> types of businesses they remember from that discussion (hold up the poster for all to see from a distance just as a reminder). Most are too complicated to run for two weeks and require too many resources, but viewing the village business scene should help them think of possibilities. It could be something simple such as buying and selling something, making something simple to sell or providing a service.</p>	<p>5 min</p>	<p>Laminated Village Business Poster</p>
<p><b>Step 7:</b>  Have participants turn to the Team Business Selection Worksheet in the Workbook. Explain that this is <b>homework</b> for them to complete before the next session. They will need to form a team, develop an</p>	<p>5 min</p>	<p>Team Business Selection</p>

<p>idea together and fill out the form, one for each team (do not let them begin the work on it now). They can choose with whom they want to form a team but they should keep in mind that each team needs someone able to read and write well enough to fill out the forms. Tell them to remember this is just the beginning of the process and they will be able to adjust or even change their ideas as they move through the course and they learn more. Remind them that cocoa farming is a business and it would be great if at least one team chose a simple business idea that relates in some way to cocoa farming. It is all right if different teams choose the same idea but they must work separately to develop it.</p>		Worksheet (in the Workbook)
<p><b><u>Step 8:</u></b> Summarize the main learning points.</p> <ul style="list-style-type: none"> <li>• Planning involves using our own experience and other information to predict what could happen in the future.</li> <li>• Careful planning is both possible and necessary to ensure that the best decisions are made for a successful business.</li> <li>• Plans can and should be updated when new information becomes available.</li> </ul>	5 min	
<p><b><u>Step 9:</u></b> Give the participants ten minutes before dismissal to talk among themselves to begin the team forming process. Say you are available for any questions that they may have about the process.</p>	10 min	

## Session 4: The Value Chain and Market Analysis

### Objectives:

- ❖ Identify the cocoa value chain and the players in it
- ❖ Recognize the usefulness of the value chain for gathering market information
- ❖ Understand the importance of collecting and using market information
- ❖ Know the basic types of market information: Product or Service, Customer, Competition, Cost, Price
- ❖ Develop a market research strategy for each business team

### Materials Needed:

- Chalk board or flip chart and chalk or markers
- Team Business Selection Worksheets filled out by each team since the last session
- Laminated “Cocoa Value Chain Role” cards (1 x 11 role cards)
- Laminated “World Cocoa Value Chain” cards (3)

**Duration:** 2 hours

Sequence	Time	Materials
<p><b>Step 1:</b></p> <p>a. <i>“If a business wants to make money, it has to <b>add value</b> to something. For example, a taxi adds value by using a vehicle to take people from one place to another because it is too far for them to walk. A house builder <b>adds value</b> by taking bricks, cement, wood and glass and building a shelter for people to live in. He has <b>added value</b> to the bricks and cement by making these things into a house.”</i></p> <p>b. <b>Small Groups:</b> <i>“Imagine you have a piece of wooden board worth GHC 2. How can you add more value to it, or make it worth more money? In your small group, list two ideas each.”</i> Give them 5 minutes.</p> <p>c. <b>Brainstorm</b> all of the ideas onto a flip chart or black board. Have the class decide together how much each item is worth and write the amount next to the item (do not worry how realistic the estimates are—this should be a short discussion). Ask them, <i>“Did you add value?”</i></p> <p>b. <b>Small Groups:</b> <i>“How many different ways can you think of to add value to these things?”</i> Write them on the flip chart or blackboard and assign one set to each of the small groups. Give them 5 minutes.</p> <ol style="list-style-type: none"> <li>1. a) an hour of your time b) a piece of cloth</li> <li>2. a) a piece of paper b) a bucket</li> <li>3. a) a can of Coca Cola b) a bag of flour</li> </ol> <p>Have each group share its ideas and see which group had the most.</p>	20 min	Chalk board or flip chart and chalk or markers

<p><b>Step 2:</b></p> <p>a. <i>“Adding value depends not only on what we do to add value but also on what people want. If we change something into something no one wants, what will happen?”</i> (Get the class to see that they will not buy it and we have added no value!)</p> <p>b. <b>Brainstorm:</b> <i>“Different things can be done to something that adds more and more value to it in steps. Take cocoa, for example. Tell me all the steps you can think of that add value to a cocoa seed until it reaches someone’s mouth as chocolate.”</i> Write simple descriptions of each step on the board or flip chart. <b>Do not attempt to put the steps in any order.</b> See how many the class can come up with and help out when necessary. (Expected answers: selling the seed, planting the seed, raising a seedling to sell, planting the seedling and growing a tree, fertilizing and spraying, weeding and pruning, harvesting, fermenting, drying, transporting, collecting and exporting, processing, packaging, selling wholesale and then retail—are all possible steps.) <i>“This chain of steps of adding more and more value is called the <b>cocoa value chain</b>. All products have a value chain from creation to consumption.”</i> (Do not explain value chain now, understanding will come as the session progresses.)</p> <p>c. <i>“Many people can be involved in the value chain—each adding value and making a profit. Who were some of the people doing the steps we just listed?”</i> Have participants suggest actors in the value chain <i>in any order</i> (The list should include at least the following <b>but not in this order</b>: input supply dealer, nursery owner, farmer, processor, transporter, cocoa buyer, exporter, chocolate factory, wholesaler, retailer, consumer, etc.).</p> <p>d. Assign each role to a participant, give out the appropriate value chain role card and ask them to stand and get in a line in the order in which they think they come in the value chain. Let them work out the order among themselves with no help from you or any participants not assigned a role. When they are ready, have each participant with a role say his or her role out loud starting at the end of the line they consider the beginning of the value chain all the way to what they consider to be the end. Ask the rest of the class for any suggested adjustments and discuss briefly, if necessary. Have the participants in line link arms and move apart just a bit and point out that they form a chain—the <b>cocoa value chain</b>.</p> <p>e. Before the cocoa value chain actors sit down, have each one of them name someone they know, either a person or a company, that does that role. They can ask for help from the rest of the class if they need it. The role players can then sit down.</p> <p>f. Ask the class which role is the most important, indicating their reason. The answers will differ. Facilitate a discussion leading to the fact that all actors on the chain are important and interdependent (ask someone to define interdependent). Emphasize that the cocoa farmers</p>	<p>20 min</p>	<p>Chalk board or flip chart and chalk or markers</p> <p>11 Laminated “Cocoa Value Chain Role” cards</p>
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<p>are very important and play as important a role in the chain as any other actor.</p> <p><b>Step 3:</b> Describe the role of cocoa in the world by reviewing the cocoa value chain, especially after it leaves Ghana. Ask what happens to the cocoa if you take the exporter out of the value chain. They should be able to see that the cocoa then stays in Ghana and is processed into chocolate (at the Tema chocolate factory) and sold as chocolate bars and other chocolate and cocoa products in Ghana. However, most of Ghana’s cocoa leaves the country (is exported). Review the steps in the cocoa value chain from exporter to chocolate factory to the wholesaler, the retailer and finally to the consumer as seen in the cocoa value chain role cards. As you explain, hand out a copy of the World Cocoa Value Chain card to each of three small groups. Ask someone to explain what the map shows. The discussion should reveal that Ghana produces one fifth (20%) of the world’s cocoa and that the cocoa is shipped all over the world to be made into chocolate and consumed. About three and a half million tons of cocoa is produced a year in the world and about 700,000 tons of that is produced in Ghana. The cocoa produced in the world is sold for the equivalent of about 5 billion US Dollars (or about the same amount of Ghana Cedis). <i>If the world crop of cocoa is worth 5 billion, how much is the Ghana cocoa crop worth?</i> (Expected answer, one billion, or 1/5 of 5 billion) The class should get a feeling for how important cocoa is in the world and how important Ghana is in its production. They should see that cocoa connects the world together.</p>	<p>10 min</p>	<p>Laminated “World Cocoa Value Chain” cards (3)</p>
<p><b>Step 4:</b> a. <i>“In Ghana, the price of cocoa beans is set by the government. So, thinking about the cocoa value chain, how can a farmer make more money by adding value to a cocoa bean from the very beginning?”</i> (Possible answers: growing his own seedlings, buying other inputs more cheaply, cutting other costs, doing more processing himself, etc.) b. <i>“The cocoa farmer can also grow other crops on a cocoa farm. Deciding what other crops to grow or activities to undertake, however, means the farmer must understand what people will buy to know how to add value, as we saw before. What happens if you grow something no one wants to buy?”</i> (Expected answer: you won’t sell any!) c. <i>“How do farmers usually decide what to grow besides cocoa?”</i> (Expected answers: everyone grows that, we have always grown that, etc.) <i>“Do these crops always make money for the farmer?”</i> (Expected answers: no, or not always or not enough!) d. <i>“Let’s figure out where a farmer can get information about what</i></p>	<p>15 min</p>	

<p><i>farm products people will buy and for how much and how to produce them for the least cost so he can make the most money possible from his land.”</i></p> <p><i>“When you want to ask a question, who is the easiest person to turn to?” (Expected answer: the person next to you.) “As a producer in the value chain, who is nearest to you and easiest to ask?” (Expected answers: input supplier, transporter, buyer, etc.) “What could they tell you?” (Expected answers: when inputs are the cheapest and which work the best, what crops people are buying, where, when and at what price, etc.)</i></p> <p><i>e. “What is a market?” (Expected answer: a place where people buy and sell things). “Yes, but it is also the process of buying and selling. If no one is buying something we say there is no market for it. When people want to buy something we say there is market demand for it. So, then what is market information?” (Expected answer: information about what people are buying and selling.). “And who can give a producer market information?” (Expected answer: someone near him in the value chain).</i></p> <p><i>f. “Most farmers do not take the time to think about the needs of their customers. Then, they are surprised when the market demand or market price changes. A good business owner makes an effort to understand the market, to be able to anticipate changes and deal with them effectively. Getting good market information is essential and the value chain is a good place to get it.”</i></p> <p><b>Step 5:</b></p> <p><i>a. “Let’s look at an example of a cocoa community business to see why it is important for business owners to know as much as they can about their market”</i></p> <p><b>b. Story:</b> <i>“Kofi went to a training offered by a group that came to his village to learn how to grow tomatoes. He and his friends all went because they had nothing to do in the village and wanted to make some money.”</i></p> <p><i>“Kofi learned a lot about growing tomatoes and went off right after the training to start his tomato garden. He borrowed some money from his family to buy what he needed and worked hard at cultivating the plants. He was rewarded with a good crop of tomatoes.”</i></p> <p><i>“He borrowed some more money from his family to take the tomatoes to market day in the nearest village to sell. To his surprise, all of his friends were there selling tomatoes they had grown after the training course, too. He wasn’t able to sell the tomatoes as he had planned.”</i></p> <p><i>“Now Kofi was left with lots of tomatoes that were not selling. He didn’t know what to do with them. He didn’t know how he was going to get home. And he certainly didn’t know how he was going to repay his family. He was afraid to go home even if he had to walk all the way!”</i></p>	<p>10 min</p>	
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<p>c. <i>“What went wrong with Kofi’s plan to grow and sell tomatoes?”</i> (Expected answer: Kofi did not gather his market information before launching his new product!)</p> <p>d. <i>“Why is it important to gather market information before starting a new business?”</i> (Expected answer: to know what to do to succeed!)</p> <p><b>Step 6:</b>  <b>Business Teams:</b></p> <p>a. Have the class break up into the teams they formed at the end of the last session. The teams should sit together and choose one member to tell the class what they have decided to do based on the Team Business Selection Worksheet they filled out since the last session (no explanation of the choice necessary at this point).</p> <p>b. Ask the teams, <i>“What market information would you like to have before you start your business?”</i> Give them 5 minutes to come up with ideas to share with the whole class.</p> <p>c. As the teams share their ideas, write them on the board or flip chart and group them into five categories of market information:</p> <ul style="list-style-type: none"> <li>▪ Product or service</li> <li>▪ Customer</li> <li>▪ Competition</li> <li>▪ Cost</li> <li>▪ Price</li> </ul> <p>Make sure everyone understands what the five terms mean—the best way to define the terms is by looking at the responses you grouped into the five categories. Explain that the market information they will gather fits into these types of information.</p> <p>d. <i>“Remember Kofi? He went to a training course on how to grow tomatoes and decided to grow and sell them. What information should he have gathered and considered in each of the five types of market information we have listed here?”</i> (Expected answers: Product or service: Were tomatoes a good idea? Would people buy them? If there were lots of tomatoes available in the market, what could Kofi have done to make them into a product that people would buy (make tomato juice or sauce, dry them to sell when no fresh tomatoes are available, etc.)? Customer: Who was he planning to sell to? Competition: Who else was going to be selling tomatoes (fresh or processed)? Cost: How much was it going to cost him to grow the tomatoes and take them to market (or, if he was going to process them, what the processing and packaging costs would be)? Price: How much would he be able to sell his tomatoes or tomato product for?</p> <p>e. Have the participants who played roles in the cocoa value chain reform their line (with cards in hand to show). Have each player in the chain ask a question of someone else in the chain that will get them market information they need. Have others in the class help</p>	<p>35 min</p>	<p>Team Business Selection Worksheets filled out by each team since the last session</p> <p>Chalk board or flip chart and chalk or markers</p>
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<p>with questions as necessary. (Expected questions: The farmer asks the input supplier when the price of fertilizer is lowest. The input supplier asks the farmer how much fertilizer he will need. The transporter asks the cocoa buyer how much cocoa he expects to buy from each community. Etc.)</p> <p>f. <i>“Now return to your teams and add any additional market information you would like to gather before you start your business based on the types of information we just discussed.”</i> (5 minutes)</p> <p>g. <i>“Develop a strategy for how you will get the information you are looking for. Remember the value chain! This will be your market research plan. <b>You will do this research as a team before the next session.</b> Think about:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Who would you contact?</i></li> <li>▪ <i>What questions would you ask?</i></li> <li>▪ <i>Can you gather information in other ways?</i></li> <li>▪ <i>Where else could you conduct market research?</i></li> </ul> <p>Give them 5 minutes to work in their teams.</p> <p><b><u>Step 7:</u></b></p> <p>a. <i>“To summarize, we saw that actors in the value chain add value to a product as it passes from one to another. Each actor in the chain needs market information to make good decisions about what to produce or how to add value. Other actors in the value chain near them are excellent sources of market information.”</i></p> <p>b. <i>“We also saw that good market information is necessary before starting a business and should include answers to many questions about products and services, customers, competition, costs and prices.”</i></p> <p>c. <i>“Before the next session your team will do the market research in the strategy you just developed so that you can describe to us:</i></p> <ul style="list-style-type: none"> <li>▪ <i>Your product or service</i></li> <li>▪ <i>Your customer</i></li> <li>▪ <i>Your primary competition</i></li> <li>▪ <i>The estimated cost for your product or service</i></li> <li>▪ <i>The price you will sell your product or service for.</i></li> </ul> <p>d. <i>“Three teams will present their process and results at the start of the next session, so be prepared!”</i> (All teams must prepare though only three will present—do not tell them who will present.)</p> <p>e. <i>“Do you have any questions on this session or what you are going to do before the next session?”</i></p>	<p>10 min</p>	
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## Session 5: Record Keeping

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### Objectives:

- ❖ Review market research done between sessions
  - ❖ Identify reasons for keeping good records
  - ❖ Identify basic steps for tracking and categorizing business records and personal expenses
  - ❖ Develop their own record-keeping system
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### Materials Needed:

- Chalk board or flip chart and chalk or markers
  - Keeping Cocoa Farm Business Records Worksheet (in the Workbook)
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**Duration:** 2 hours

Sequence	Time	Materials
<p><b>Step 1:</b> Have three teams volunteer to present the results of the market research they have done since the last session. They have ten minutes each to present and take comments from the class. Make sure they cover:</p> <ol style="list-style-type: none"> <li>1. the <i>process</i> they used—remind them of the questions asked last time: <ul style="list-style-type: none"> <li>• Who would you contact?</li> <li>• What questions would you ask?</li> <li>• Can you gather information in other ways?</li> <li>• Where else could you conduct market research?</li> </ul> </li> <li>2. the <i>results</i> they got that show them where to direct their business as directed last time: <ul style="list-style-type: none"> <li>• Your product/service</li> <li>• Your customer</li> <li>• Your primary competition</li> <li>• The estimated cost for your product or service</li> <li>• The price at which you will sell.</li> </ul> </li> </ol>	30 min	
<p><b>Step 2:</b> <b>Role Play:</b> “We will start today with some play acting. First, I will act out a scene with a volunteer.” Have a participant volunteer to join you. Without the class hearing you, tell the volunteer that he or she is an input supplier selling fertilizer and that you are a cocoa farmer come to buy fertilizer. Tell the supplier that he or she isn’t sure that you paid for the last batch of fertilizer and that he or she</p>	20 min	

<p>must get proof of payment or he or she will sell you no more fertilizer. As you act out the scene, you, as the cocoa farmer, will insist you paid then go look for records proving you did but find no receipt or even written record that you bought fertilizer! You end up paying again so you can be allowed to buy more.</p> <p><b>Small Group Skits:</b> Have each of three small groups prepare a short skit that shows the dangers of not keeping business records. Give them just 5 minutes to prepare a very short (2 minute) skit each and have them perform for the rest of the class.</p> <p><b>Step 3:</b></p> <p>a. Tell participants that every business owner finds it difficult to keep good records. Typically, they are so busy running the business, they forget to keep track of expenses and other records related to the business. Some people are better organized than others. And sometimes it can be difficult to know where to start.</p> <p>b. <b>Brainstorm:</b> “What are some reasons to keep good records on a cocoa farm or other business?” In the discussion, make sure the following points are brought out. (Use a board or flip chart to summarize.)</p> <ul style="list-style-type: none"> <li>• The cocoa farmer or other business owner can keep track of cash flow in and out of the business.</li> <li>• The cocoa farmer or owner can verify that a payment was made or is due on a particular date.</li> <li>• Sometimes records are necessary for paying taxes or other government required transactions.</li> <li>• Records are useful for planning.</li> <li>• Sometimes, showing records can be necessary for getting credit.</li> <li>• Records allow one to see if money is being made or lost.</li> </ul> <p>c. “In sum, maintaining good records can help save time and money, and help with future planning.”</p> <p>d. Ask: “What are some of the challenges of keeping good records?” (Expected Answers: It takes too much time, not sure how, or my family has different styles of organizing.)</p>	<p>10 min</p>	<p>Chalk board or flip chart and chalk or markers</p>
<p><b>Step 4:</b></p> <p>a. Tell participants they will now help a cocoa farm family organize its expense records. Have participants turn to the Keeping Cocoa Farm Business Records Worksheet in the Workbook. Note that this family has already put all of its papers on the table, and that participants will help them organize the information into the three boxes on the floor.</p> <p><b>Small Groups:</b> Working in their small groups, they should discuss which bits of paper go into the correct box. Then, using a pencil or</p>	<p>20 min</p>	<p>Keeping Cocoa Farm Business Records Worksheet (in the Workbook)</p>

<p>pen, each person should draw an arrow from that paper to the appropriate box on the page (remind them that this is their own workbook and they should not hesitate to write in it.). If necessary, work through one example with the entire class before they begin. Allow small groups to work together, with each person drawing on his or her own paper. Walk around and observe for several minutes.</p> <p>b. Check their answers.</p> <p><b>Step 5:</b></p> <p>a. “What other kinds of records might you have to keep as a cocoa farmer?” (Expected answers: planting and harvest records, cash book, equipment list, inventory, copies of loan agreements, purchase contracts, equipment warranties, instructions,.)</p> <p>b. Ask one or two volunteers who know about a business that keeps records to describe the types of records it keeps and the methods for doing so.</p> <p>c. Ask someone in the room who has never seen a cocoa farm or business keeping records to briefly mention something that they have learned.</p> <p>d. Using a board or flip chart to summarize the following points, explain that in a business record-keeping system it can be helpful to have the following features:</p> <ul style="list-style-type: none"> <li>• Dates on all receipts, bills, and other important documents</li> <li>• A set of categories for each transaction (e.g., Rent, Food, Materials)</li> <li>• A note on each item as to whether the expense is Personal or Business</li> <li>• Special (separate) containers for expenses and receipts (income) and another container for Personal (or Family) expenses.</li> </ul>	<p>15 min</p>	<p>Chalk board or flip chart and chalk or markers</p>
<p><b>Step 6:</b></p> <p>a. Tell participants they will now have an opportunity to develop their own way of keeping track of records for their businesses in their teams.</p> <p>b. Working in their teams, they should develop a list of what they think will need to keep records of, including sales, expenses, inventory, cash, and contracts or other important documents.</p> <p>c. Then, each team should determine how to organize the information (use notebooks, boxes and/or envelopes) and where they will store the information.</p> <p>d. Ask each team to share one idea from its record-keeping plans with the rest of the class.</p> <p>e. Help the large group summarize the discussion, by noting that each person may have his or her own way of organizing information.</p> <p>f. Note that once a system is in place, it is important to keep it up to</p>	<p>20 min</p>	

<p>date. Ask participants to suggest ways cocoa farmers or other business owners can keep their records up to date. (Expected answers: Set aside time once a month (or season or year), put all papers in a special box or boxes as soon as they arrive, assign a family member to take on this task).</p> <p><b>Step 7:</b> Summarize the main learning points.</p> <ul style="list-style-type: none"> <li>• Keeping accurate records saves time and money, and reduces stress</li> <li>• While there are some common features of a record-keeping system, each person may have his or own style of organizing.</li> <li>• Once a system is in place, it is important to keep it up to date.</li> </ul>	<p>5 min</p>	
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## Session 6: Financial Planning

### Objectives:

- ❖ Identify the key elements of financial planning
- ❖ Learn the basics of costing and pricing
- ❖ Understand the basics of cash flow
- ❖ Be able to do simple cost/benefit analysis
- ❖ Use cost/benefit analysis to discover the cost of credit and make financing decisions
- ❖ Learn about savings
- ❖ Explore sources of financing
- ❖ Be ready to research and develop a business plan and start and run a mini business for two weeks

### Materials Needed:

- Chalk board or flip chart and chalk or markers
- Each participant’s Business Plan Template (in the Workbook)
- Mini Business Presentation Worksheet (in the Workbook)

**Duration:** 2 hours

Sequence	Time	Materials
<p><b>Step 1:</b>  <b>Brainstorm:</b> a. “Do you remember Kofi? “What was he trying to sell?” (Expected answer: tomatoes.) “What went wrong?” (He arrived at the market to find so many people selling tomatoes that he couldn’t sell his.)                      b. “Say Kofi had researched his market properly and knew who was producing tomatoes, who wanted to buy them and how much they would buy and what else he might have done to make the tomatoes into a product that people would have bought. What else would he need to know?” (Expected answer: how much to charge.) “How would he figure out what price to charge for his tomatoes or tomato product?” Write a short note for each answer on the board or flip chart. Possible answers you could supply after the class has suggested as many as they can:</p> <ul style="list-style-type: none"> <li>• Sell them for as much as he felt like.</li> <li>• See what others are charging and sell them at the same price.</li> <li>• See what others are charging and sell them for less.</li> <li>• Think of a price that seems reasonable and charge that.</li> <li>• Ask his friends what they would pay and charge that.</li> <li>• Work out how much each tomato or unit of tomato product costs him and double that.</li> </ul> <p>Ask the class to say what they see as a problem with the different</p>	30 min	Chalk board or flip chart and chalk or markers

<p>answers. (Expected answers: if the price is too high people will not buy, if the price is too low Kofi will lose money.)</p> <p>c. <i>“If Kofi charged the same price for his product as he spent to grow and process it what would happen?”</i> (Expected answers: he would not make any money or he could even lose money.) <i>“If he sold his product at that price, how would he pay the rent on his stall?”</i> (Expected answers could be many, but the point is that he could not meet his other costs.)</p> <p>d. <i>“So, if we want a price that is high enough to make money but also low enough to get people to buy, how do we figure out the right price? What do we need to know?”</i> (Expected answers: how much it costs Kofi to sell his product and how much his customers are willing to pay for it.)</p> <p>e. <b>Small Groups:</b> <i>“In your small groups, come up with all the types of costs you can think of that Kofi would have to pay to be able to sell his product at his stall.”</i> Give them 5 minutes and then have someone from each group share the costs they identified, not repeating any already mentioned. Expected answers should include at least:</p> <ul style="list-style-type: none"> <li>• What Kofi paid to grow and process it</li> <li>• Transportation</li> <li>• Rent of the stall</li> <li>• Any other market fees he has to pay</li> <li>• Signage and other advertising</li> <li>• Electricity, if he has it</li> <li>• Plastic bags or wrapping paper, if he uses them</li> <li>• Taxes</li> <li>• Loan payments if he borrowed money</li> </ul> <p>f. <b>Brainstorm:</b> <i>“How do you figure out how much of each of these expenses went into the total cost of each unit of product (a kilo of tomatoes or a jar of tomato sauce, for example)?”</i> Let the discussion flow and see if anyone brings up the point that some of these costs relate directly to the product (how much it cost Kofi to produce it) and some are costs of doing business not directly related to any the product. See if you call pull this point out of the discussion or, if not, then explain it. <i>“Some costs are <b>direct</b> and would not be spent if the product were not produced and some are <b>indirect</b> and would have to be paid whether Kofi sold any product or not. In Kofi’s case, what are <b>direct</b> costs and what are <b>indirect</b>?”</i> (Expected answers: the price of the seeds and fertilizer, transportation and any wrapping would be directly related to the number of units sold and the rest would not.)</p> <p>g. <b>Small Groups:</b> <i>“How does Kofi figure out how much of the indirect costs should be added to the cost of each unit he sells? He can’t sell anything from his stall without paying rent, but how much rent expense is there in the cost of each unit sold?”</i> Let the small groups discuss this for 5 minutes and then share their ideas. They should discover some way to spread the indirect expenses over the</p>		
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<p>number of units sold in a given period (say a month). Perhaps he should add up all of his costs and divide by the number of units he plans to sell to see the cost of each unit.</p> <p><b>h. Small Groups:</b> Ask the small groups how Kofi should find out what customers at his location would pay for his product. Give them 5 minutes to discuss and share with the large group. Expected answers:</p> <ul style="list-style-type: none"> <li>• Ask customers.</li> <li>• See what others charge.</li> <li>• Try different prices and see what sells.</li> </ul> <p><b>i.</b> <i>“What other consideration does Kofi need to make besides the total cost of the product and the price customers at his location would probably pay for it?”</i> (Expected answer: his profit!) <i>“Would Kofi be happy if the price he thinks customers would pay was less than his cost?”</i> (No!) <i>“What should he do?”</i> (Expected answers: go out of business or stop selling tomatoes, move to another location, reduce costs, raise the price and find some way to make his product more attractive so people would pay more, like processing it more or offering better service than his competitors, etc.)</p> <p><b>Step 2:</b></p> <p><b>a.</b> <i>“So, as your teams develop your business plans, keep in mind that before operating a business you have to gather the necessary resources to get started. Business start-up costs are typically one-time investments in equipment. Once the business is in operation, new costs are incurred each month. Some costs must be paid regardless of the amount of income sales generated. These are called indirect costs because they do not relate directly to the items sold. Other costs, known as direct costs, change depending on the volume of business. You should price your products in a way that covers both your direct and indirect costs, while also providing a profit for the business to grow.”</i></p> <p><b>b. Brainstorm:</b> <i>“Costs vary depending on the business type. To help you in developing your business plan, let’s look at costs for different types of businesses.”</i> Use the chart below as a guide to write responses on a board or flip chart as you lead the class through the three categories of costs for the different types of businesses.</p> <table border="1" data-bbox="186 1585 1084 1881"> <thead> <tr> <th>Cost Type</th> <th>Farmer/Producer</th> <th>Retailer</th> <th>Service Provider</th> </tr> </thead> <tbody> <tr> <td>Start-Up/ Investment Costs</td> <td>Tools Equipment, Land</td> <td>Display equipment Store sign</td> <td>Business License Equipment</td> </tr> <tr> <td>Indirect (Monthly) Costs</td> <td>Rent Electricity Storage</td> <td>Rent Electricity Labor</td> <td>Rent Electricity Equipment</td> </tr> </tbody> </table>	Cost Type	Farmer/Producer	Retailer	Service Provider	Start-Up/ Investment Costs	Tools Equipment, Land	Display equipment Store sign	Business License Equipment	Indirect (Monthly) Costs	Rent Electricity Storage	Rent Electricity Labor	Rent Electricity Equipment	<p>10 min</p>	<p>Chalk board or flip chart and chalk or markers</p>
Cost Type	Farmer/Producer	Retailer	Service Provider											
Start-Up/ Investment Costs	Tools Equipment, Land	Display equipment Store sign	Business License Equipment											
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		Advertising	maintenance		
Direct Costs	Seeds Fertilizer Labor Transportation	Inventory purchases Shipping Packaging	Labor Materials or Supplies		
<p>c. <b><i>“Before you start your mini business, your teams will have to analyze your costs and set your prices using the methods we have just discussed”.</i></b></p> <p><b>Step 3:</b></p> <p>a. <i>“As you remember from our session on business planning, every business has sources and uses of funds. What did we compare this flow of money in and out of the business to?”</i> (Expected answer: a flowing stream that can be dammed up to form a pond.) <i>“This movement of money in and out of a business is called <b>cash flow</b>. Why is it important to manage cash flow?”</i> (Expected answers: if you run out of money you can’t buy any product, pay the bills, make loan payments, etc. and may have to go out of business!)</p> <p>b. <b>Small Groups:</b> <i>“In your small groups, take the example of a tailor making and selling school uniforms. When do parents buy school uniforms? (Expected answer: September, when school starts, but also during the school year for replacements) Figure out in what month the tailor’s school uniform business has:</i></p> <ul style="list-style-type: none"> <li>• <i>The highest income</i></li> <li>• <i>The lowest income</i></li> <li>• <i>The highest costs</i></li> <li>• <i>The lowest costs”</i></li> </ul> <p>Give them five minutes to discuss and then ask anyone for answers. Expected answers: highest income: September (when school starts), lowest income: Summer, (when school is out), highest costs: August (to buy material) and lowest cost: Early Summer (when there is no activity). The actual months are not as important as the concept of having different needs in different months.</p> <p>c. <i>“So, when is the worst month for cash flow for a school uniform business? In other words, when is the month when costs are highest and income is lowest?”</i> (Expected answer, July or August when buying inventory.)</p> <p>d. <i>“What are some strategies the tailor might use to get through the month with the highest cash need?”</i> (Expected answers: set aside (save) money throughout the year, purchase material earlier, reduce other costs of the business, get a loan, sell other products not dependent on the school schedule, etc.).</p>				15 min	
<p><b>Step 4:</b></p> <p>a. <i>“Take out your Business Plan in the Workbook and look at page</i></p>				5 min	Each

<p><i>14: Financial Plan. What have we discussed today that will help you with this page?</i>” (Expected answers: selling price, costs) “Are there any questions?”</p> <p>b. <i>“Turn to the next page: One-Year Cash Flow Projection. What are the sources of funds called on this page?”</i> (Expected answer: Cash Inflows) <i>“And what are the uses of funds called?”</i> (Expected answer: Cash Outflows) <i>“What do beginning cash balance and ending cash balance mean and how do you know what number to put in there?”</i> (Expected answers: beginning cash balance is how much cash you have at the start and should come from records kept like a cash book, the ending cash balance is the beginning cash balance plus all cash inflows minus all cash out flows, the next month’s beginning cash balance is the same as the last month’s ending cash balance and on it goes) <i>“Are there any questions?”</i></p> <p>c. <b><i>“Your teams should forecast a simple week-by-week cash flow for the two weeks you will be running your business before you start”.</i></b></p> <p><b>Step 5:</b></p> <p>a. <b>Brainstorm:</b> <i>“Other than cash flow, what are other ways to get the money you need to start and run a business?”</i> Expected answers:</p> <ul style="list-style-type: none"> <li>• Savings</li> <li>• Gifts from family or friends</li> <li>• Investment by “silent partners” (who do not manage the business)</li> <li>• Grants from government agencies or NGOs</li> <li>• Loans</li> </ul> <p><i>“Which of those possibilities is the only one over which you have any control?”</i> (Expected answer: savings).</p> <p>b. <i>“Let’s look more closely at savings.”</i></p> <p><b>[Note to the facilitator: come prepared with some basic knowledge of the institutions available to the participants wishing to explore savings options. Local MFIs, savings groups, NGOs, etc. Ask the participants to share any experiences with these local resources.]</b></p> <p><i>“When you think of saving money, what are some reasons why you would want to save? What are some important events or purchases we might save for?”</i> (Possible Answers: Weddings, School fees, Agricultural inputs, Funerals, Home construction, Motorcycle, Farm equipment, Unexpected events)</p> <p><i>“And where do people in your community put the money they are saving?”</i> (Expected answers: any formal or informal institutions that exist in the community, savings in the form of stored produce, savings at home: “Under the mattress.”)</p> <p><i>“Finally, how often do people usually save?”</i> (Possible answers: every month, once a year, only when necessary)</p> <p>Ask for some reasons for why people don’t save more. (Typically people will respond saying that they don’t have enough money to</p>	<p>15 min</p>	<p>Participant should have his or her own copy of the Business Plan Template in the Workbook</p>
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<p>save.) Describe how in some of the wealthiest countries people are poor savers, while in some of the poorest, they are excellent savers. Savings is about developing the discipline to do so. Explain that many people approach saving as follows: They first spend money to pay bills and buy things, and then perhaps save whatever is left over. In fact, there are two key principles to success in saving:</p> <ul style="list-style-type: none"> <li>• <b>“Pay yourself first.”</b> <i>“The first thing one does after getting paid is pay yourself. Set aside some money – even if it is a small amount. Then, spend what is left”.</i></li> <li>• <b>“Save – even when you can’t save!”</b> <i>“Save regularly. “No matter what” make small deposits on a regular – weekly or monthly basis. Not just when you are paid.”</i></li> <li>• <i>“These two principles are the keys to accumulating wealth. Rich people already know this. Now you know it, too!”</i></li> </ul> <p><b>Step 6:</b></p> <p>a. <i>“When making a financial plan, you think about decisions you must make. Often the decision is whether to do something or not. You need money, for example, and you ask yourself, should I borrow money or not? What are some reasons for not borrowing money?”</i> (Expected answers: it may cost too much, the interest rate is too high, no one will lend to me at a reasonable rate, I cannot show the lender that I am a good credit risk, I may not be able to pay it back, etc.) <i>“Let’s look at three answers:</i></p> <ul style="list-style-type: none"> <li>• <i>The interest rate is too high (the only people who will lend to me charge too much interest)</i></li> <li>• <i>I may not be able to pay it back</i></li> <li>• <i>I cannot show that I am credit worthy</i></li> </ul> <p>b. <b>The interest rate is too high.</b> <i>“How do you know the interest rate is too high?”</i> (Expected answers: it is more than the bank charges, other people pay less, if I could get a government loan it would be much less, it is more than I can afford to pay). <i>“What are you in business to do?”</i> (make a profit) <i>“So, if borrowing the money allows you to make more money—by buying cheaper or more fertilizer or getting a discount by buying in bulk—or to stay in business when cash flow is low, then maybe you should look at the cost of the loan. Does it cost more or less to borrow than the increase in profit you would get by borrowing?”</i></p> <p><i>“Say there were a special price on something that you could buy for GHC 100 that usually costs GHC 200. You usually sell it for GHC 250 and make GHC 50 profit. However, you have no cash. You can borrow from a money lender at 50% interest. Is that too high? Let’s see. What is your usual profit?”</i> (250-200=50) <i>“What is it if you borrow at 50% to take advantage of the special price?”</i></p> <p>Selling price 250</p>	<p>20 min</p>	
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<p>Cost           100 Interest       50 Profit          100</p> <p><i>“Are you better off borrowing and buying now or waiting until you have the cash but the special offer is gone?” (Borrow!) “How much would you be losing if you did not borrow at 50%?” (GHC 50!)</i></p> <p>c. <i>“So, when looking at hard decisions, like whether to borrow and at what interest rate, use this method of <b>cost/benefit analysis</b>. Compare what the benefit of the action would be (increased income, for example) and the cost (increased interest expense, for example) and see whether the result is a gain or a loss, a surplus or a deficit.”</i></p> <p>d. <i>“However, what other considerations are there in this kind of decision besides the cost?”</i> Help the class see the potential <b>risks</b>— you might not be able to sell the cheap goods you bought, you might have other sudden expenses and not be able to pay back the loan, etc. <i>“In any business decision you must weigh the benefits against both the costs and the risks!”</i></p> <p>e. <b><i>I may not be able to pay it back.</i></b> <i>“Say you have looked at the benefits, costs and risks and feel it is a good decision to borrow, how will you know whether or not you can pay it back? What tool in your business plan can help you figure this out?”</i> (Expected answer: the cash flow projection)</p> <p>f. <b><i>I cannot show that I am credit worthy.</i></b> <i>“What will you have at the end of this course that any lender would be glad to see?”</i> (A business plan) <i>“How does this help the lender feel comfortable in lending to you?”</i> (Expected answers: it shows I have a plan, the plan shows I will make enough money to repay the loan, it shows I have researched the market, it shows that our team has the skills to do the job, etc.) <i>“What else will a lender want to know? The three Cs of credit are Cash Flow, Character and Collateral. What do these mean?”</i> Expected answers:</p> <ul style="list-style-type: none"> <li>• Cash flow is the cash necessary to make timely payments</li> <li>• Character is how trustworthy you are, do you have references, is your family known?</li> <li>• Collateral is anything you can pledge as a guarantee, either someone known to the lender who will agree to pay if you do not or some property the lender can take if you cannot pay the loan.</li> </ul> <p><b>Step 7:</b> <b>Brainstorm:</b> <i>“Where can you go to get a loan?”</i> Write answers on the board or flip chart. Ask what the class thinks the advantages and disadvantages are of each source of credit. You, as facilitator, should have researched available credit sources in the area to be able to help the class identify as many sources as possible.</p>	<p>15 min</p>	<p>Chalk board or flip chart and chalk or markers</p>
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<p><b>Step 8:</b> a. <i>“In summary, what have we covered today?”</i> (Expected answers: costing and pricing, start up, direct and indirect expenses, cash flow, cost/benefit analysis, risks, the cost of credit, creditworthiness, savings and sources of loans.)</p>	5 min	
<p><b>Step 9</b> <i>“Before the next session your teams will complete your planning, secure your financing and run your mini business for two weeks. You must analyze your costs and set your prices and do a two-week cash flow projection before you start your mini business. At the next session you will present your plans and the results of your mini business experience. Keep good records so you can show what happened! A worksheet for your team to use in preparing your Mini Business presentation are in your workbook. Are there any questions?”</i></p>	5 min	Mini Business Presentation Worksheet (in the Workbook)

## Session 7: Our Mini Business Experience

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### Objectives:

- ❖ Debrief practical experience of planning, starting and running a business
  - ❖ Use the practical experience to begin the planning process for a real business
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### Materials Needed:

- Chalk board or flip chart and chalk or markers
  - Mini Business Presentation Worksheets participants have prepared
  - Instructions for Business Plan Presentations (in the Workbook)
  - A new photocopy of the Business Plan Template for each participant
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**Duration:** 2 hours

Sequence	Time	Materials
<p><b>Step 1:</b> Each mini business team briefly presents its plan, results and lessons learned (15 minutes each):</p> <p>1. Business Plan:</p> <ul style="list-style-type: none"> <li>• Name</li> <li>• Type of business</li> <li>• Location</li> <li>• Product description</li> <li>• Target customers</li> <li>• Expected competitors</li> <li>• Costs</li> <li>• Pricing</li> <li>• Two-week cash flow projection</li> <li>• Projected profit</li> <li>• Team member roles</li> <li>• Operating plan</li> <li>• Record-keeping plan</li> </ul> <p>2. Results:</p> <ul style="list-style-type: none"> <li>• Profit or loss</li> <li>• Ending cash position</li> <li>• Explanation of what went according to plan and what did not and why</li> </ul> <p>3. Lessons learned:</p> <ul style="list-style-type: none"> <li>• What the team felt they did well</li> <li>• What the team would do differently next time</li> </ul>	<p>1-1.5 hours (depending on the number of teams)</p>	<p>Mini Business Presentation Worksheets participants have prepared</p>

<p><b>Step 2:</b> Summarize the key lessons learned as presented by the teams. Ask for comments from the class on what they learned from others’ experience that will help them in developing their own businesses.</p>	<p>15 min</p>	
<p><b>Step 3:</b> a. <i>“Now that you have used the planning and management skills you have learned, you will develop a business plan for a real business that you may start and run after the course is over. Your business idea could be a cocoa farm or a business closely related to cocoa farming like selling fertilizer or insecticides, a nursery growing and selling cocoa seedlings, spraying or other services for cocoa farmers, buying cocoa beans, transporting cocoa, processing cocoa beans in some way (like making chocolate), or something else. Or, it could be another type of business—but it has to be in this area, preferably your own community. Remember the Village Business Poster!”</i> <b>Brainstorm</b> types of businesses they remember from that discussion (hand out three posters as a reminder). Make sure at least these ideas are mentioned, though any business could be suggested: growing other food crops, livestock production, processing other agricultural products like palm oil, other manufacturing, retail or services such as restaurants, hairdressing or tailoring and so forth. b. <i>“You can use the Team Business Selection Worksheet we used earlier in the course to decide to form a team and develop a business idea. You may work alone or in a team, but remember that different people bring different skills and you may be more successful as a team. This is especially true if you need help writing the business plan.</i> c. <i>“Between now and the next session you will develop a business plan completing the whole Business Plan Template. Look back at all the steps you took to develop your mini business plan:</i></p> <ul style="list-style-type: none"> <li>• <i>Gathering and analyzing market information</i></li> <li>• <i>Analyzing costs and setting prices</i></li> <li>• <i>Forecasting profit and loss and cash flow</i></li> <li>• <i>Devising a record-keeping system</i></li> <li>• <i>Securing financing</i></li> </ul> <p><i>Our next session will be devoted to the Business Plans. <b>Your team should finish as much of your plan as possible and be prepared to present it to the rest of the class at the next session!</b>”</i> Have participants turn to the Instructions for Business Plan Presentations in the Workbook and briefly explain the process. c. Hand out new copies of the Business Plan Template. If there is time, depending on the number of presentations, participants may talk among themselves about business ideas and forming teams.</p>	<p>15-45 min</p>	<p>Village Business Posters (3)</p> <p>Instructions for Team Presentations (in the Workbook)</p> <p>Business Plan Template for each participant</p>

## Session 8: Our Business Plans and Course Conclusion

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### Objectives:

- ❖ Present Business Plans
- ❖ Review Course Goals
- ❖ Present Certificates

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### Materials Needed:

- Team Business Plans
- Laminated Cocoa Tree Chart of Sessions (and copy in the Workbook)
- Certificates

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**Duration:** 2 hours

Sequence	Time	Materials
<p><b>Step 1:</b> Individuals and teams present their business plans. Each presentation should take about ten minutes to present and answer questions.</p>	80 min	Team Business Plans
<p><b>Step 2:</b> a. Review the course goals:</p> <ul style="list-style-type: none"> <li>• Learn business concepts and market conditions in the cocoa community</li> <li>• Understand the role and importance of cocoa in the world and at home and the cocoa value chain</li> <li>• Develop and use business planning and management skills</li> <li>• Prepare a business plan for a future business</li> </ul> <p>b. Ask participants to say whether they feel they have increased their business planning and management skills.</p> <p>b. Have the participants review the topics covered in the course. Show the Cocoa Tree Chart of Sessions and have each participant take out his or her copy in the workbook. Have those who are comfortable to do so read out the session topics in order. Ask seven volunteers to summarize briefly the key learning points from sessions 1-7.</p>	20 min	Laminated Cocoa Tree Chart of Sessions (and copy in the Workbook)
<p><b>Step 3:</b> a. Announce any follow up steps that may be planned. b. Have a suitable recognition ceremony with local dignitaries and award certificates to participants. c. Close the course.</p>	30 min	Certificates

### **Part III: Practical Experience: The Mini Business**

Since this course uses the experiential learning process, it is important to give the youth opportunities to use the skills they are learning. In addition to classroom exercises and homework assignments, the course includes a practical experience in planning, starting, running and debriefing a very small, short-lived business. This “mini business” experience unfolds through the course as follows:

- Session 3:
  - Introduction to the Business Plan Template in a cocoa farming exercise
  - Introduction to the mini business idea
  - Team Business Selection Worksheet handed out as homework
  - Ten minutes given at the end of the session to begin to form mini business teams
- Session 4:
  - Teams present their mini business ideas to the class
  - Teams look at marketing information they will need and develop a strategy for gathering it before the next session
  - Homework assignment is to gather the marketing information necessary to start their mini business to be presented at the next session
- Session 5:
  - Three teams present the marketing information they gathered and the process they used
  - Teams develop a record-keeping strategy for their mini businesses
- Session 6:
  - Teams are directed to analyze costs and set prices using methods discussed before they start their mini businesses
  - Teams are told to make a two-week cash flow forecast before they start their mini-businesses
  - Teams are instructed to finish planning, secure financing, start and run their mini businesses for two weeks (keeping good records!) and prepare to present their plans and results at the next session (with reference to the Mini Business Presentation Worksheet in the Workbook)
- Session 7:
  - Teams present their mini business plans, results and lessons learned
  - The facilitator debriefs the experience to consolidate the learning and skills development to lead the youth into the development of a business plan for a real business to be presented at the next session. They are given a new copy of the Business Plan Template.

## **Part IV: Resources and Enhancements**

This course is meant to be integrated into both the agricultural training for youth and into the community in which the youth live. The facilitators should take advantage of both the agricultural training and the community to leverage resources and add enhancements.

Specific areas where this is true are in technical assistance and savings and credit. Facilitators should be aware of technical assistance available for agricultural issues. In addition, facilitators should become familiar with business advisory services available. They should also identify existing cocoa farmers and other business owners who are willing to serve as resources and/or mentors for the youth. Further, facilitators should learn about savings and credit resources available in the area.

- *Business Advisory Services*  
Facilitators should research and locate business advisory services and make these resources available to the youth. An enhancement could be to have a specialist from a business advisory service come to the course and share what the service offers as well as answer specific business questions. Another way to add value would be to have the class take a field trip (as a whole or in guided groups) to a business advisory service office to see where it is located, meet the staff, understand what services are offered and how they can help and learn what forms are necessary to fill out to access the services (and if there are any fees). Business advisory services are offered by both public and private entities. One public entity is the Business Advisory Centre under the Rural Enterprise Project. In Sefwi Wiawso, it is located at the District Assembly office complex. Private sector business advisory services are located in many communities.
- *Business Resource People and Mentors*  
Facilitators should identify local cocoa farmers and other business owners who are willing to help the youth entrepreneurs by providing marketing information and sharing their business experience. These resource people could be accessed by having them visit the class, taking field trips to their places of business, having participants visit and interview them on their own or by arranging a more formal mentoring process. Some individuals may be identifying before the course begins but others may be needed to be found during the course as participants identify the types of businesses they are interested in pursuing.
- *Savings*  
In Session 6, Step 5, participants explore what it is to save and where savings can be held. Facilitators should have information on available institutions accepting savings in the community and near-by areas. These may be formal or informal village savings groups, local Microfinance Institutions (MFIs), NGOs, credit unions, banks or other institutions. Enhancements could include a visit to the training site by officers of the institutions, field trips to savings institutions and even the opening of a savings account (for the whole group to save for a celebration at the end, for teams to save for projects or individuals to save for future enterprises).

- *Credit*

Funding is the most serious impediment to starting a business in the eyes of many youth. Helping them to realize what resources they already have is critical. Guiding them to save is also very important. However, it is true that many will have to borrow funds for their business ventures. It is important for the facilitator to be aware of the institutions offering credit in the area, their willingness to lend to inexperienced youth entrepreneurs, their terms and conditions and their expectations for credentials, business plans, guarantees and collateral. Session 6, Step 6 deals with the issue of borrowing. In this step, facilitators should be able to help the youth understand the availability of credit and how to analyze the relative merit of various options (using the cost/benefit analysis method to see that some forms of credit with higher interest rates may be best in certain situations or that hidden interest costs in supplier credit may actually be less advantageous than a loan). In Session 6, Step 7, facilitators should have the local knowledge to be able to guide the youth to see the actual options available to them in their marketplace (community and area). Facilitators should know the institutions that exist and what their criteria are. They should also be able to guide the youth to see the advantages and disadvantages of each institution. These include availability and restrictions (age, membership, geography, etc.), business types lent to, cost (interest rate and other fees), loan size, repayment terms. Possible sources of credit in the area may be, but are not limited to:

- Personal (from family or friends)
- Supplier credit
- Money lenders
- Village savings and loan groups
- Associations
- Microfinance Institutions (MFIs)
- Banks

## **Part V: Facilitator's Kit Contents**

### A. Facilitator's Guide

### B. Laminated Cards

- 1 Cocoa Tree Chart of Sessions\*
- 3 Village Business Posters
- 3 Blank Cocoa Agricultural Calendars\*
- 11 Cocoa Value Chain Role cards
- 3 World Cocoa Value Chain cards

\* Copies in the Youth Entrepreneur's Workbook

### C. Youth Entrepreneur's Workbook

- 1. Cocoa Tree Chart of Sessions
- 2. Blank Cocoa Agricultural Calendar

3. Business Planning Story/Dialogue
4. Business Planning Worksheet
5. Business Plan Template
6. Team Business Selection Worksheet
7. Keeping Cocoa Farm Business Records Worksheet
8. Mini Business Presentation Worksheet
9. Instructions for Business Plan Presentations