

Setting-Up a... Biblically Based Business

Training Support Materials

Visual Aids for Flipchart and Blackboard

version 1.2
(English)

Author: Michael Clargo Reconxile.org

Objectives of the Training

To understand:

- How to identify a business opportunity that suits you
- How to get other people to buy from your business
- How to plan your business so that it can do things cheaply and with quality
- How to check whether a business idea will make money, and how to manage money
- Some very basic principles of running your business

| Week | 1 | 2 | 3 | 4 | 5 |
|-----------------|----|----|----|---------------|----|
| Opening Balance | 80 | 45 | 13 | -7 | 12 |
| Income | 0 | 5 | 25 | 90 | 90 |
| Expenditure | 30 | 32 | 40 | 66 | 66 |
| Loan Repay't | 5 | 5 | 5 | 5 | 5 |
| Closing Balance | 45 | 13 | -7 | 12 | 31 |

This booklet is intended to support the training of Workbook 1 of the Small Business Guide: "Setting-up Your Own Small Business" and is intended for use with the session plan for the training (also available from the Reconxile website free of charge). The materials work with either session plan, but the timings you will find in bold on the following pages are set for the 6 session plan. (*Timings for the 4 day plan are in italics at the bottom of the text*)

The following pages contain visual images that you will find useful in undertaking the training, and which are referenced in the 'inputs' column of the session plan. Because the training is most likely to be undertaken in developing countries, the resources referred to have been limited to flipchart and blackboard (as per the picture on the left).

Where a blackboard is shown, it is proposed that you develop the image in front of the group. This can of course also be done on a flipchart, but it may be best to use a re-useable resource rather than dispose of sheets of paper.

Where a flipchart sheet is shown, it is proposed that you prepare the visual aid beforehand and present it at the appropriate point in the training. In all but one case the flipchart sheets can be saved and reused for subsequent training courses.

Associated with each visual aid are some notes on its use in the training (including which session in the session plan it relates to) and some space for you to include your own notes as appropriate.

Opening Prayer

We pray for:

- God's protection over the course and all attending it
- Insight and understanding of how business works
- Wisdom and guidance, that we can make use of the training to make a difference here
- Strength, that we can persevere through problems
- A heart that will use our business to do good, and help others, and glorify God

3

Session 1, 9.00: Please feel free to change what you pray for, and how the prayers are worded, to suit the situation and the people you are training.

(4 Day plan – Day 1: 09.00)

Notes

What this training is not...

- A sure way to make a bad business idea a success
- A guarantee of finding a successful business by Friday
- A fast-track to getting funding for your business or yourself
- Four days holiday

4

Session 1, 9.15: Stick this flipchart sheet on the wall somewhere, alongside the next three sheets. Keep them visible throughout the training because you may need to refer to them when people get stuck in what they are trying to do or say

(4 Day plan – Day 1: 09.00)

Notes

What this training is ...

- An opportunity to learn and understand the basics of setting-up a business
- One guided tour of what you will need to work through, probably several times, in order to set-up a business
- An opportunity to meet and share experiences with others who want to set up a business
- Hard work

5

Session 1, 9.15: Stick this flipchart sheet on the wall somewhere, alongside the next two sheets and the previous sheet. Keep them visible throughout the training because you may need to refer to them when people get stuck in what they are trying to do or say
(4 Day plan – Day 1: 09.00)

Notes

Objectives of the Training

To understand:

- How to identify a business opportunity that suits you
- How to get other people to buy from your business
- How to plan your business so that it can do things cheaply and with quality
- How to check whether your business idea will make you money, and how to make more money
- Some very basic principles on running your business

6

Session 1, 9.15: Stick this flipchart sheet on the wall somewhere, alongside the previous two sheets, and the next one. Keep them visible throughout the training because you may need to refer to them when people get stuck in what they are trying to do or say

(4 Day plan – Day 1: 09.00)

Notes

Groundrules of the Training

We will, at all times,...

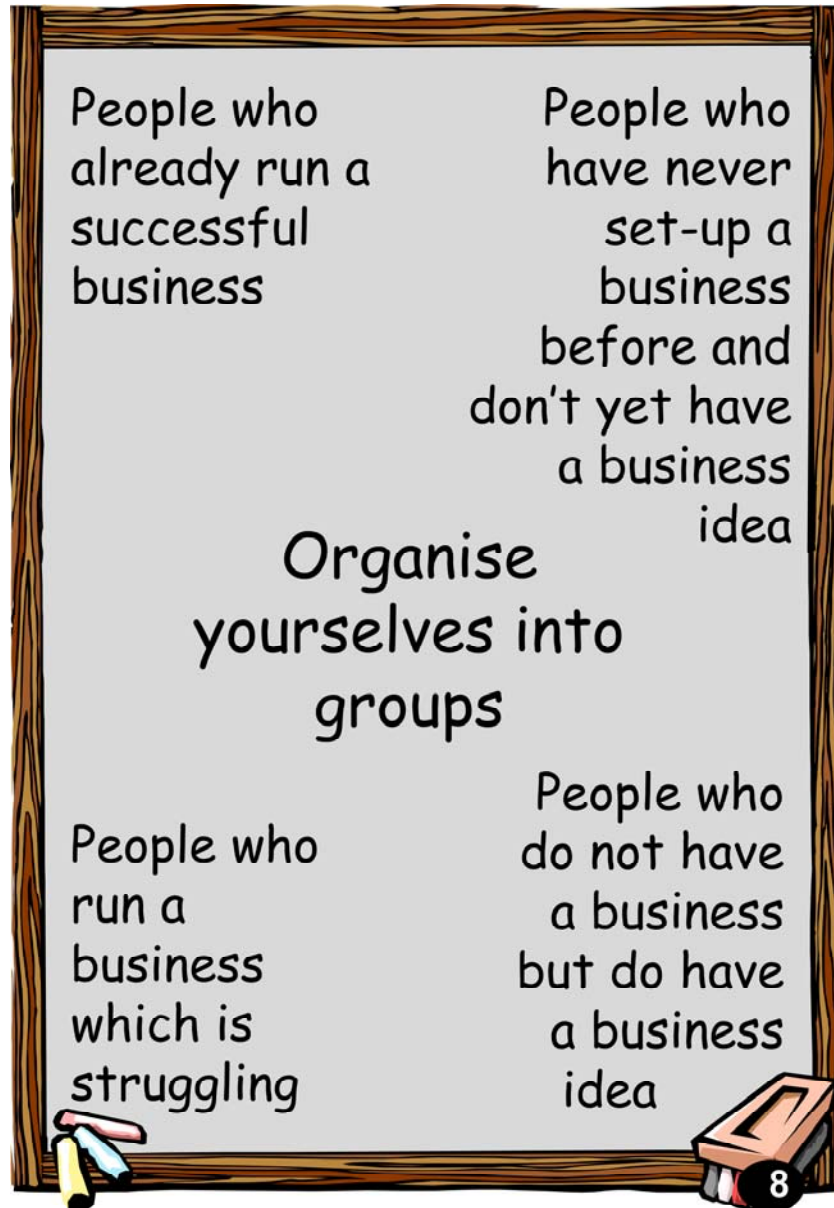
- Be courteous and helpful to our trainer and fellow trainees
- Listen carefully to what is being said - by anyone - and avoid distractions like side-conversations, phones or other things not to do with training
- Attend each session, and do our project work as planned
- Be punctual and return at agreed times ready to start work immediately
- Enjoy ourselves

7

Session 1, 9.15: Stick this flipchart sheet on the wall somewhere, alongside the previous three sheets. Keep them visible throughout the training because you may need to refer to them when people get stuck in what they are trying to do or say

(4 Day plan – Day 1: 09.00)

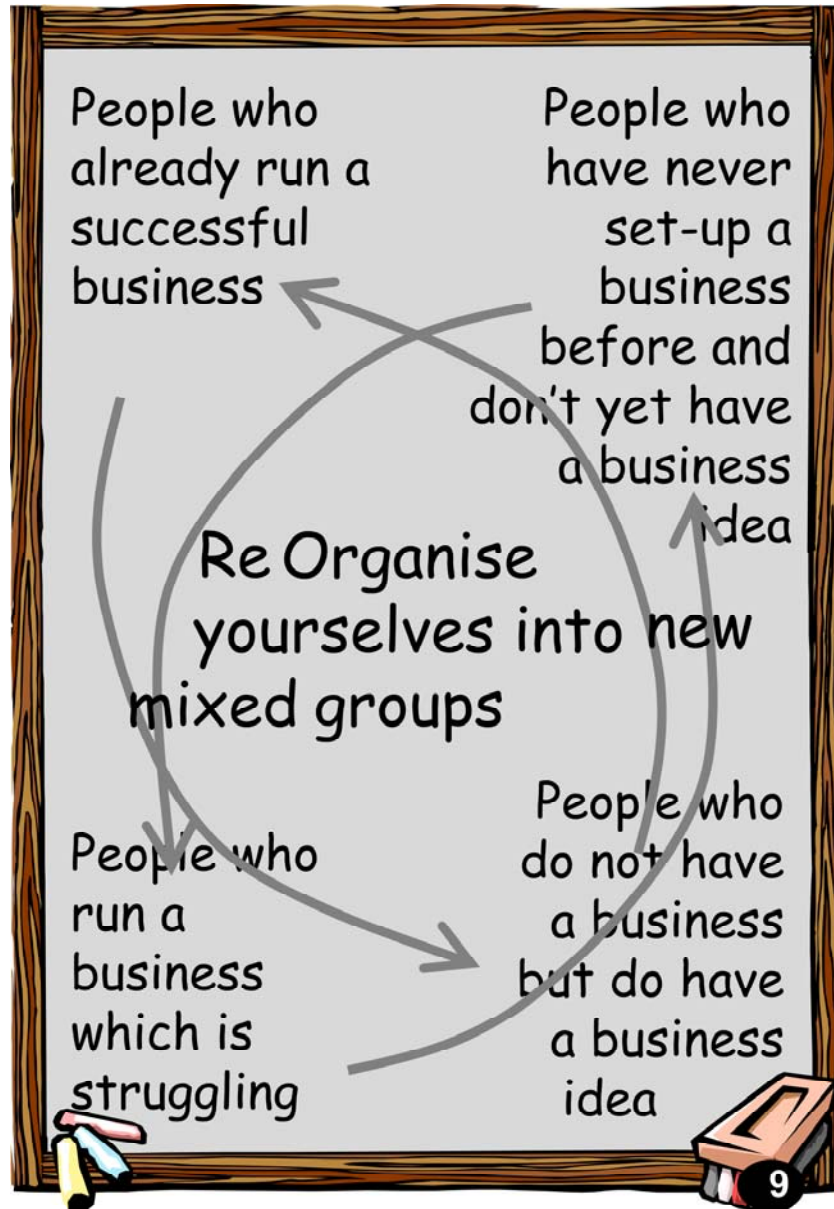
Notes



Session 1, 9.30: Scribble this one up so that people do not get confused about where they should go. If people do get confused, ask them first whether they currently have a business, and then (if they do) whether it is successful, or (if they do not) whether they already know what sort of business they would like to set up. The allocate them to the appropriate corner. If everybody gets confused, split them first into two groups according to whether they currently have a business (left hand side) or not (right hand side), and then further split those groups by means of the other two questions.

(4 Day plan – Day 1: 09.15)

Notes



Session 1, 9.30: Explain that we are now going to organise mixed groups and do this by hand, selecting groups of four to eight people with a balance of those who have businesses/ideas/success and those who do not

(4 Day plan – Day 1: 09.15)

Notes

Introductions

In your new groups, introduce yourselves briefly to each other...

- Your name, and where you are from
- Any business experience that you have
- What you hope to get out of this course
- Your biggest worry about setting-up in business

10

Session 1, 9.30: This flipchart is simply a reminder so that each group knows what they are supposed to be saying in their introductions. (It is very easy for people to forget if it is not written up)

(4 Day plan – Day 1: 09.15)

Notes

| Hopes | Concerns |
|-------|----------|
| | |

11

Session 1, 10.15: This is simply a header for you to collect the main hopes and concerns from the group. It is on flipchart because you will stick it up on the wall as a reminder of what we are working toward.

(4 Day plan – Day 1: 09.45)

Notes

Course Programme

| Session | When |
|-------------------------------------|------|
| Introductory Session | |
| Researching your Business Idea | |
| Clinic 1 | |
| Business Planning | |
| Clinic 2 | |
| Finances | |
| Clinic 3 | |
| Running your business profitably | |
| Follow-up session | |

12

Session 1, 10.45: This is a sheet on which you can write down the times and dates of your training programme (under the 'When' column on the right hand side).

(4 Day plan – not used)

Notes

The importance of projects

The most important part of this training is projects - exercises from the workbook which you work on outside of the main training sessions.

You can get help before or after sessions, or in the clinics, both from the trainers and the mentors to complete your projects ... BUT ... they are your responsibility ... AND ... failing to complete them will regrettably lead to your exclusion from the course.

13

Session 1, 10.45: This is a sheet which simply reinforces the importance of projects, and warns attendees of the consequences for them if they do not complete their exercises between sessions.

(4 Day plan – Day 1: 09.45)

Notes

How Business Works...

We buy materials to replace those used up in our work

We save money to pay off loans or re-invest in growing our business



We spend money to replace and repair our tools & equipment

We & our staff receive wages for our work

Customers buy our products or services and pay us money

14

Session 2, 9.15: This picture is referred to in the session plan as 'diagram of guitar-maker's business'. Although the diagram will be difficult to reproduce on flipchart, it is worth persevering with because it summarises the whole course, and it is used many times within it. The drawings do not need to be artistic, or indeed to focus on the guitar, but the loops need to be clear, and the images need to represent: somebody making a product (X), a customer, people (our staff and ourselves) receiving money to live on, tools used in manufacturing X, and materials consumed in manufacturing X.

(4 Day plan – Day 1: 10.05)

Notes



Session 2, 10.00: This can be done on the blackboard and rubbed off once people have taken on some of the good ideas (that they did not previously have) into their own workbooks.

(4 Day plan – Day 1: 10.55)

Notes

Things to pray for in your groups...

- Wisdom to pick an idea that will best help you to learn about business
- Courage to step out, knowing God will hold our hands
- Insight into the heart of God, that we can pick what He wants for us
- ...?

16

Session 2, 11.15: Please feel free to change what you pray for, and how the prayers are worded, to suit the situation and the people you are training. Encourage groups to pray out loud amongst themselves and to pray for whatever the Holy Spirit moves onto their heart concerning the selection of the ideas.

(4 Day plan – Day 1: 11.55)

Notes



Session 2, 11.40: Put this question up on the blackboard. If the 'guitar maker diagram you have created is actually for another product (X) then replace the word 'guitar-maker' in the title with something more appropriate.

(4 Day plan – Day 1: 12.05)

Notes

Questions that you can use to start a conversation...

- That looks a nice ... do you mind if I ask where you got it?
- It seems busy here, is/are the ... particularly good then?
- I find ... seems more of a chore each day, don't you?
- Excuse me, do you have any idea where I could get some good ...?
- Forgive me for asking, but I am doing a survey on ..., do you mind if I ask you a few questions?

18

Session 2, 12.25: Put up these questions, and ask what other ideas the group has for how to start a conversation with a stranger, and list these up also. You may need to tailor the initial questions to better suit the culture of the area you are doing the training in.

(4 Day plan – Day 1: 12.20)

Notes

Project Review (in groups)

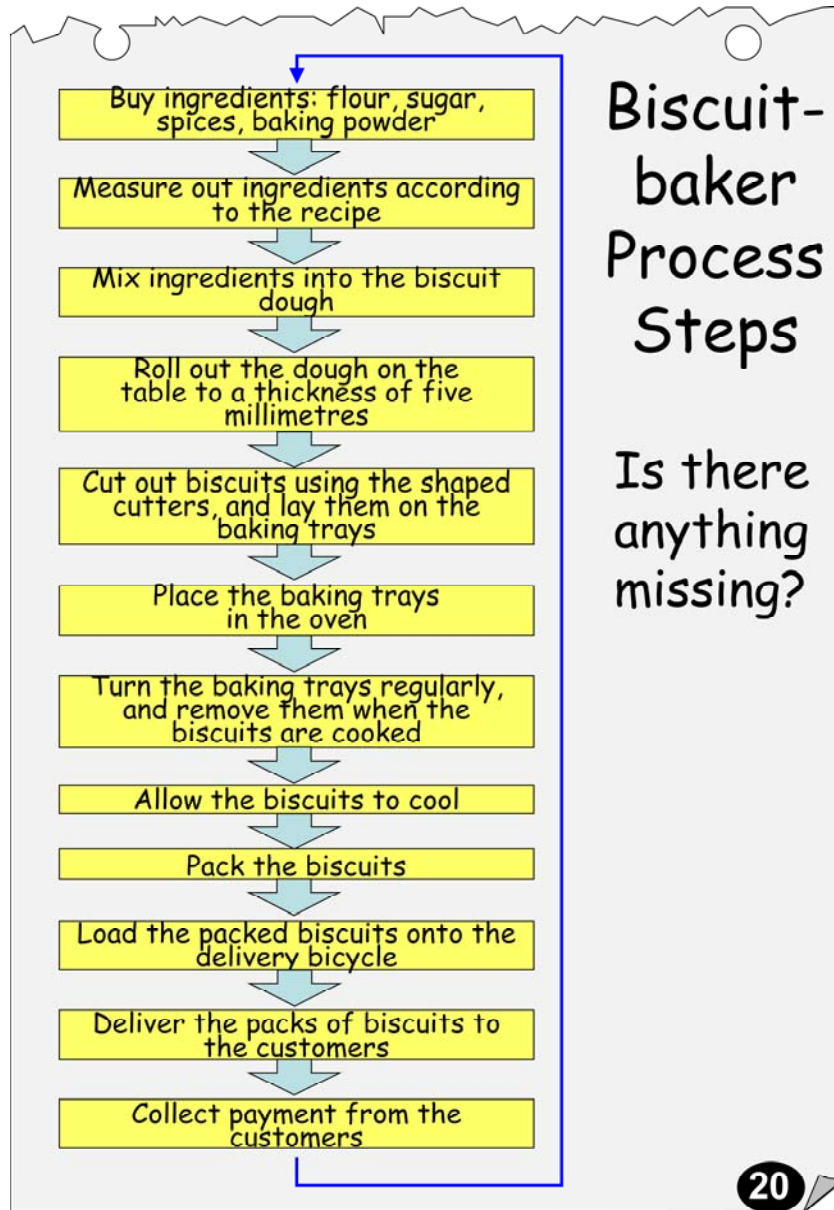
- How useful was our project in helping us to think through our business?
- What did we find easy to do?
- What did we struggle with?
- What can we learn that will help us next time?

19

Session 3, 9.00: This flipchart sheet will be used on each of the mornings for days 2, 3 and 4 and so putting it on a flipchart sheet will save you effort in the long-run.

(4 Day plan – Day 2: 09.00)

Notes



Session 3, 9.35: This process flow chart is taken from the guide. You may find it easier to lay out the boxes on the flipchart page first, and then write in the boxes (to manage the space available). You might also like to miss out the odd process step so that they can see that there are steps missing (and in that way demonstrate the value of the process map).

(4 Day plan – Day 2: 09.35)

Notes

What the customer sees as 'better' biscuits

- Good taste
- Crisp texture
- Snaps when you bite into it
- Lasts for five or six bites
- Does not go stale quickly
- Reasonably priced
- No 'burnt' flavour

21

Session 3, 9.35: Please feel free to amend this list as you see fit, it was compiled by somebody who is yet to fully appreciate the charms of Ugandan biscuits.

(4 Day plan – Day 2: 09.35)

Notes

Reviewing process plans

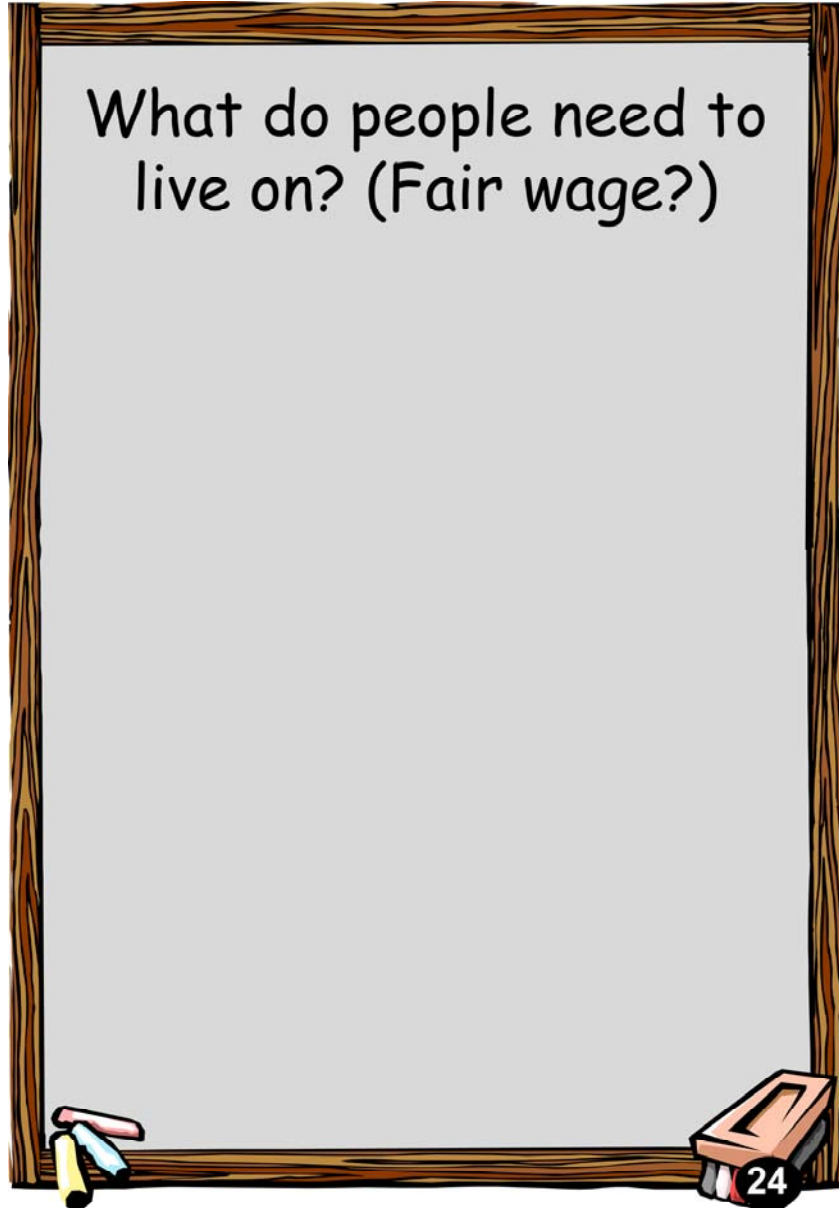
- Are there any steps missing?
- Have all (most) of what the customer sees as 'better' been linked to most relevant process steps?
- Have all the tools and equipment needs been considered for each step?
- Are the necessary skills listed for each step?
- Are the skills and tools/ equipment listed sufficient to ensure 'better' quality as described by the customer?

23

Session 3, 10.00: Because there are three or four cycles of reviewing process plans, it is good to have these questions up as a reminder to the group of what they are looking at for each cycle.

(4 Day plan – Day 2: 10.00)

Notes



Session 3, 12.00: Add on items to this list as they are called out from the room.

(4 Day plan – Day 2: 12.00)

Notes

Quiz

(Please close all workbooks)

1. According to Mr Micawber, what is the cause of misery?
2. What are the two different types of operating costs?
3. What types are the following costs: rent; ingredients; wages; tools
4. What's the difference between revenue & costs called?
5. What is the difference between 'ideal' and 'actual' variable costs?
6. Start-up costs are set-up costs and what else?
7. What proportion of your loan will you need to repay each month?
8. What is a 'Break-Even' point?
9. Tie Break: Best answer to puzzle!
(found on page 31 of the workbook)

25

Session 4, 9.30: The quiz can either be put up on a flipchart, or can be read out one question at a time (leaving time for the groups to discuss and agree their answers in between. The answers can all be found in the workbook, and they are: 1. expenditure greater than income 2. fixed and variable 3. fixed, variable, fixed, variable (or start-up) 4. profit **or** loss (both answer required!) 5. wastage and loss 6. operating costs until the business reaches break-even 7. approximately one quarter (25%) 8. the sales quantity at which your income (revenue) balances your outgoings (fixed and variable costs) 9. Up to **your** judgement...

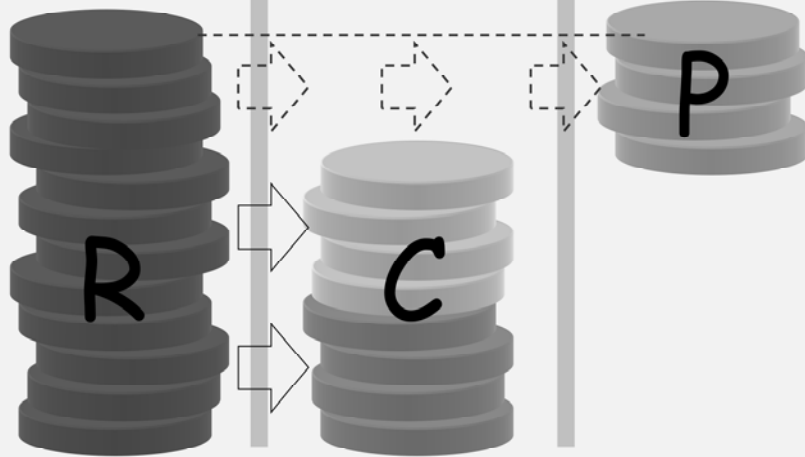
(4 Day plan – Day 3: 09.30)

Notes

----- Note on Accountants puzzle. The common error on answering this puzzle is to fall into the trap of adding the \$2 to the \$27. The \$2 was 'revenue', not 'expenditure', and therefore should be subtracted from the \$27, giving \$25 – which is the same sum as was eventually paid to the hotel owner.

The elements of business finance...

Income = Expenditure + Balance



| Revenue | Costs | Profit |
|-----------------------|--|---|
| Income from customers | Costs of being (Fixed) & costs of doing (variable) | The money left over after costs are taken from income |

26

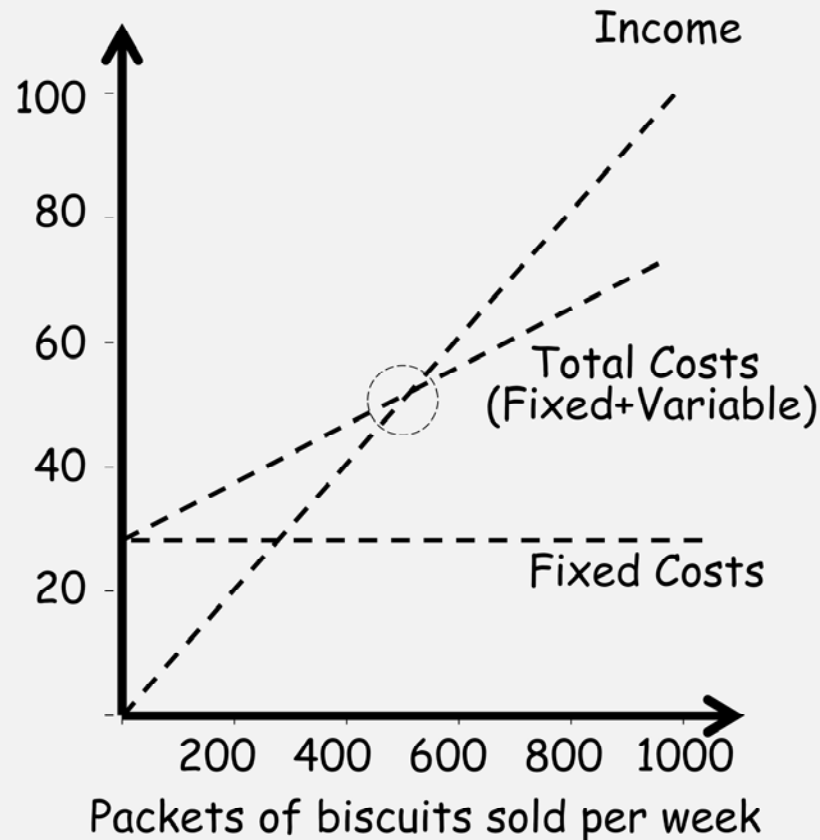
Session 4, 10.00: Simply draw in the piles of coins and overlay them with R, C and P. The coins do not need to be too artistic, as long as people can work out what they are.

(4 Day plan – Day 3: 10.00)

Notes

Break Even Point

Money (in and out)
per week (\$)



27

Session 4, 11.50: Draw the axes of the graph as shown. Explain that the distance sideways represents different amounts of biscuits sold each week, and the distance up the graph represents the money involved. Explain that the packets of biscuits are sold at \$0.10 (10c) per pack, and ask what income we would get if we sold 200, 400, 600, 800 & 1000, and plot the income line through those points. Then explain that our fixed costs (our salary) is \$30 per week. Ask them how much our fixed costs would be if we sold 200, 400, 600, 800 & 1000 (trick question – it stays the same) and plot the fixed costs line. Then explain that our supplies (variable costs) work out at 4c (\$0.04) - per packet, and ask how much our total costs will be at 200, 400, 600, 800 & 1000 packets (\$38, \$46, \$54, \$62, \$70) and plot these on the graph, and then draw the total cost line through these points. Draw a circle where the lines cross over each other, and explain this is the point where our income meets our costs, anything to the right and we make money, anything to the left and we lose it. Draw a dotted line down to the axis (it should intersect at 500 packets) and explain this is our break-even point.

(4 Day plan – Day 3: 11.50)

Notes

| Week | 1 | 2 | 3 | 4 | 5 |
|-----------------|----|----|----|----|----|
| Opening Balance | 80 | | | | |
| Income | 0 | 5 | 25 | 90 | 90 |
| Expenditure | 30 | 32 | 40 | 66 | 66 |
| Loan Repay't | 5 | 5 | 5 | 5 | 5 |
| Closing Balance | | | | | |

Session 4, 12.10: Set out the cashflow table on the blackboard, filling in only the white numbers shown. Ask the group, based on the biscuit maker we used in the break-even diagram what the expenditure will be for that many sales of biscuits – the answers should be the pink numbers (e.g. in column 3; for \$25 income we sold 250 packets of biscuits, which means our variable costs would be \$10 added to our fixed costs of \$30 gives us a total expenditure of \$40 for that week. Ask them then, if we took out a loan for \$80, what our likely monthly repayments would be (\$20) which amounts to \$5 per week which we can fill in on the 'Loan repayment' row. We can then fill in the rest of the figures.

(4 Day plan – Day 3: 12.10)

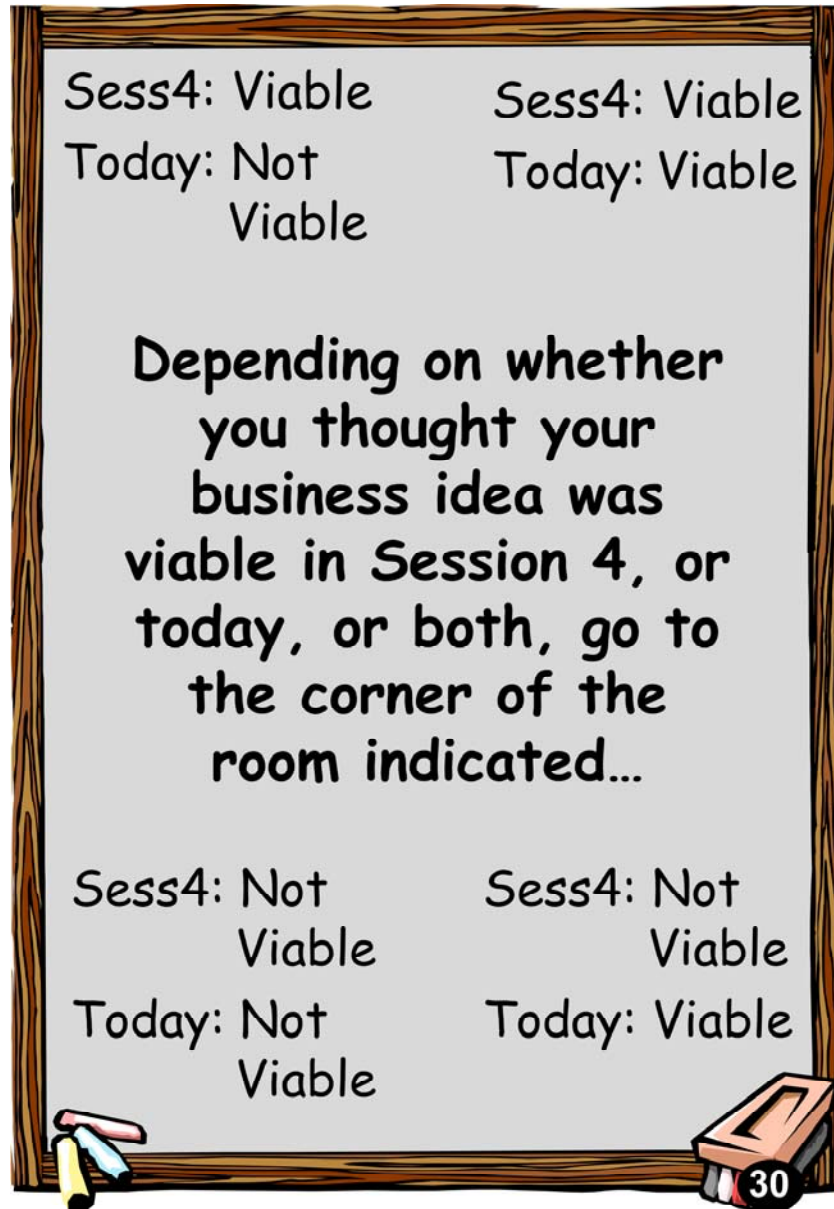
Notes

| Week | 1 | 2 | 3 | 4 | 5 |
|-----------------|----|----|----|---------------|----|
| Opening Balance | 80 | 45 | 13 | -7 | 12 |
| Income | 0 | 5 | 25 | 90 | 90 |
| Expenditure | 30 | 32 | 40 | 66 | 66 |
| Loan Repay't | 5 | 5 | 5 | 5 | 5 |
| Closing Balance | 45 | 13 | -7 | 12 | 31 |

Session 4, 12.10: Fill in the rest of the figures in each column by adding the income to the opening balance, and then subtracting the expenditure and the repayment, and writing the answer as the closing balance, and then copying the closing balance to be the opening balance of the following week and continuing the process for the next column. Get the group to help you by shouting out the answers as you go through it. Point out that it wasn't so difficult to do a cash-flow table – it just looks complicated. But then circle the minus figure in the bottom row, and ask what this means. Point out that without money you can't buy more supplies (arrow and circle around the 66) and without supplies you can't make and sell product (arrow up to the 90 and cross it out) Then scribble out columns 4 and 5 for effect, and explain that as soon as your cash flow goes negative, everything else is just a dream – all that lovely profit in the future will never happen!

(4 Day plan – Day 3: 12.10)

Notes



Session 5, 9.25: Write these descriptions in the corners of the blackboard in order that people know which corner of the room to go to (using the blackboard as a map of the training room)

(4 Day plan – Day 4: 09.25)

Notes



Session 5, 9.40: Add on items to this list as they are called out from the room.

(4 Day plan – Day 4: 09.40)

Notes

Principles of Running a Business

1. Do not confuse your business finances with your personal finances.
2. Only take money out of profits, never out of the operating funds
3. Treat customers with respect/care
4. Give God a place of honour in your business (&5) Maintain values in business that will make God pleased
6. Treat your employees with respect.
7. Update all 'process flows' and plans to reflect what is really happening
8. Keep your financial record up to date at all times
9. Always use some of your profits to find ways to improve your business

32

Session 5, 11.00: These principles are shorter than the ones in the guide in order that they can be written on a flipchart in clear (reasonably large) writing.

(4 Day plan – Day 4: 11.00)

Notes

A Poem

(by John Logue)

Come to the edge!
 Its too high!
Come to the edge!
 We might fall!
COME TO THE EDGE!
 And they came
 And he pushed
 And they flew!

33

Session 5, 12.00: The layout of this poem in the first four lines is intended to look like a dialogue between two people, and then a shouted response in the fifth line (achieved by the use of capitals). The point of putting the poem up is that starting up in business does need a push, but if they push themselves then they really can fly.

(4 Day plan – Day 4: 12.00)

Notes

Course Assessments

How much have you learnt about setting up your own business?

How good was the trainer at helping you to understand ?

How effective were the training materials and workbook for you?

How useful did you find the afternoon projects?

How useful did you find your group/ partners in helping you think?

Anything else?

Please circle most appropriate description:

| | | | |
|-------------------|----------------|--------------------|-------------|
| Everything I need | A large amount | Some useful points | Very little |
|-------------------|----------------|--------------------|-------------|

| | | | |
|-----------|------|---------|------|
| Excellent | Good | Average | Poor |
|-----------|------|---------|------|

| | | | |
|-----------|------|---------|------|
| Excellent | Good | Average | Poor |
|-----------|------|---------|------|

| | | | |
|-------------------|-------------|-----------------|---------------|
| Vitally important | Very useful | Somewhat useful | Waste of time |
|-------------------|-------------|-----------------|---------------|

| | | | |
|-------------------|-------------|-----------------|---------------|
| Vitally important | Very useful | Somewhat useful | Waste of time |
|-------------------|-------------|-----------------|---------------|

Please add any further comments, either to expand on your answers above or on anything else.

What are the main topics & issues
you have been wrestling with?

35

Session 6, 09.25: Flipchart to record a list of issues and topics that the group might want to discuss in the follow-up session.

(4 Day plan – not used)

Notes
